

# SOI BULLETIN

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# Inside this Issue

## **Sole Proprietorship Returns, 2007**

*by Adrian Dungan*

For Tax Year 2007, there were about 23.1 million individual income tax returns that reported nonfarm sole proprietorship activity, a 4.7-percent increase since Tax Year 2006. Reported profits for these sole proprietorships were \$280.6 billion in 2007, representing a decrease of 1.8 percent (in constant dollars) since 2006. Profits also decreased 0.4 percent (in constant dollars) between Tax Years 2005 and 2006. This was the first time that profits (in constant dollars) have decreased for 2 consecutive years since before 1988.

Professional, scientific, and technical services had the largest profits of any sector in 2007, at \$71.6 billion, representing 25.5 percent of total sole proprietorship profits. The largest sole proprietorship industrial sector, based on business receipts, was construction, which accounted for 17.4 percent of receipts and reported a 2.4-percent decrease in 2007. Finance and insurance showed the largest percentage increase in both receipts and deductions, reporting a 14.1-percent increase in receipts and a 17.3-percent increase in deductions. Real estate and rental and leasing, which reported the largest decline in profits in 2006, at 18.5 percent, reported a 17.7-percent decline in profits in 2007.

## **Individual Noncash Contributions, 2006**

*by Pearson Liddell and Janette Wilson*

For Tax Year 2006, 24.7 million individual income taxpayers who itemized deductions reported \$52.6 billion in deductions for noncash charitable contributions. Of these taxpayers, 6.2 million reported \$46.8 billion in deductions for charitable contributions in excess of \$500, as shown on Form 8283, *Noncash Charitable Contributions*. Though filers of this form declined by 5.9 percent between Tax Years 2005 and 2006, the amount of donation contributions increased 14.1 percent, from \$41.1 billion in Tax Year 2005. For Tax Year 2006, corporate stock donations of \$23.0 billion, representing 49.1 percent of the total amount donated by taxpayers, increased 40.7 percent, from \$16.3 billion in Tax Year 2005.

For Tax Year 2006, there were two tax law changes that affected deductions allowed for certain noncash contributions. Beginning on August 18, 2006, donations of clothing and household items were required to

be in "good condition or better" in order for taxpayers to claim a deduction. In previous years, taxpayers were allowed to deduct the fair market value of all clothing and household items, regardless of condition. Restrictions on deductions for façade easements were also added to tax law, and those restrictions also took effect in the summer of 2006.

## **S Corporation Returns, 2006**

*by Heather Duffy Parisi*

The number of S corporations increased 5.1 percent to 3.9 million for Tax Year 2006, representing nearly two-thirds of all U.S. corporations. The number of shareholders in S corporations also increased by 5.1 percent, to 6.7 million in 2006. Total net income (less deficit) increased 7.0 percent to \$386.2 billion. The largest component of total net income (less deficit)—net income (less deficit) from a trade or business—increased \$13.0 billion to \$295.9 billion, representing 76.6 percent of total net income (less deficit).

Nearly two-thirds of all S corporations reported positive net income in the total amount of \$457.0 billion. S corporation total assets increased 11.4 percent from the previous year to \$3.0 trillion. Slightly fewer S corporations reported rental real estate income for Tax Year 2006, down 2.2 percent to 259.3 thousand since 2005. These companies reported \$6.8 billion in real estate rental net income (less deficit).

## **Foreign-Controlled Domestic Corporations, 2006**

*by James R. Hobbs*

The number of U.S. income tax returns filed by foreign-controlled domestic corporations (FCDCs) increased by 3.4 percent for 2006, to 63,951. FCDCs accounted for only 1.1 percent of all corporation income tax returns filed for the tax year. FCDC assets totaled \$9.7 trillion, a 5.7-percent increase from the previous year. By comparison, all corporations reported a total of \$73.1 trillion in assets for 2006, a 10.0-percent increase since the previous year. FCDCs accounted for 13.3 percent of total corporate assets for 2006, down from 13.9 percent for the previous year.

FCDCs reported \$3.8 trillion in total receipts for 2006, a 9.5-percent increase since 2005. Manufacturers produced \$1.8 trillion in receipts, while

wholesalers accounted for an additional \$0.8 trillion. Domestic corporations controlled by persons in the United Kingdom reported total receipts of \$0.9 trillion, 23.2 percent of the FCDC total.

## Corporate Foreign Tax Credit, 2005

by *Melissa Costa*

For Tax Year 2005, 5,837 U.S. corporations claimed more than \$84 billion in foreign tax credits, reducing their U.S. tax on worldwide income by 30.3 percent, from \$278.2 billion to \$194 billion. They reported a total of about \$402 billion in foreign-source taxable income, slightly more than 50 percent of total worldwide income. Due in part to the one-time repatriation tax holiday, foreign-source taxable income for corporations that claimed a foreign tax credit (in constant 2005 dollars) rose 61 percent since 2004, while the foreign tax credit increased 43.9 percent.

Corporations whose primary business was manufacturing accounted for about 68 percent of total foreign-source taxable income of corporations that claimed a foreign tax credit, and those corporations reported 69 percent of the total foreign tax credit. A little more than half of foreign-source taxable income came from Europe, with nearly 40 percent from European Union (EU) countries. The top three EU countries included the United Kingdom, which accounted for 12.5 percent of total taxable income, followed by the Netherlands, with 9.2 percent, and Ireland, with 5.6 percent.

## Sales of Capital Assets Panel Data, Tax Years 1999-2003

by *Janette Wilson and Pearson Liddell*

Between Tax Years 1999 and 2003, taxpayers in the Sales of Capital Assets (SOCA) panel study realized the highest net capital gains in Tax Year 2000; net gains less losses peaked at \$574.1 billion, with capital gains of \$929.8 billion and losses of \$355.7 billion. The lowest amount of net capital gains less losses reported for the 5 years examined was \$131.9 billion, reported in Tax Year 2002. The estimates in this article were based on a sample of individual income tax returns filed for Tax Year 1999. These returns were followed between Tax Years 1999 and 2003.

Detailed transaction data show that net gains less losses for corporate stock, passthrough gains or losses, and real estate showed the most significant changes during the 5-year period. In Tax Years 1999 and 2000, corporate stock sales represented the largest share of net gains less losses realized. In Tax Year 1999, corporate stock represented 42.7 percent of all gains, or \$224.4 billion, and, in 2000, corporate stock represented 41.2 percent of all gains, or \$236.3 billion. In Tax Year 2001, passthrough gains or losses represented the largest share in terms of percentage of gains less losses, at 43.2 percent (or \$84.9 billion) of all gains less losses, while the corporate stock share declined to 15.9 percent, or \$31.3 billion.

## In the Next Issue

The following topics are tentatively planned for inclusion in the fall 2009 issue of the *Statistics of Income Bulletin*, scheduled to be published in November 2009:

- Individual income tax returns, Tax Year 2007;
- Foreign trusts, Tax Year 2006;
- Partnership returns, Tax Year 2007;
- Charities and other tax-exempt organizations, Tax Year 2006;
- Private foundations and charitable trusts, Tax Year 2006;
- Tax-exempt governmental and private activity bonds, Calendar Year 2007;
- Transactions of foreign-owned domestic corporations, Tax Year 2006;
- Partnership and sole proprietorship data, Tax Year 2006; and
- Estate tax returns filed for high-wealth decedents, Filing Years 2001-2007.

# Revisions to Prior Issues

## Selected Historical and Other Data—Spring 2008 and 2009 Issues

Table 20 (“Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax”) in both the spring 2008 and spring 2009 issues of the *SOI Bulletin* presented incorrect data in several columns (Fiscal Years 2001-2005). Corrected data are presented below and are also available on SOI’s Tax Stats Web site at [www.irs.gov/taxstats](http://www.irs.gov/taxstats).

**Table 20. Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service, by Type of Excise Tax, Fiscal Years 2001-2005**

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal year				
	2001	2002	2003	2004	2005
	(1)	(2)	(3)	(4)	(5)
<b>Total excise tax collections</b>	<b>68,241,000</b>	<b>69,171,000</b>	<b>69,490,000</b>	<b>71,781,000</b>	<b>75,194,000</b>
Excise tax collections or liabilities reported by the Internal Revenue Service [1]					
<b>Total excise tax collections</b>	<b>52,418,848</b>	<b>52,136,835</b>	<b>52,771,160</b>	<b>54,807,225</b>	<b>57,252,098</b>
<b>Retail excise taxes:</b>					
Luxury taxes:					
Passenger vehicles (expired, January 1, 2003)	341,981	252,834	65,162	3,032	1503
Boats (repealed, January 1, 1993)	19	0	0	0	0
Aircraft (repealed, January 1, 1993)	0	0	0	0	1
Jewelry (repealed, January 1, 1993)	0	0	0	0	0
Furs (repealed, January 1, 1993)	1	0	0	0	0
Dyed diesel fuel used in trains:					
Total, excluding floor stocks	167,161	147,408	162,654	127,169	93,032
Floor stocks	0	1	0	1	0
Dyed diesel fuel for certain intercity or local buses	2,380	1,731	1,266	1,139	-1,122
Dyed diesel	N/A	N/A	N/A	N/A	N/A
Dyed kerosene	N/A	N/A	N/A	N/A	N/A
Special motor fuels:					
Total, excluding floor stocks	18,404	17,570	14,226	12,990	12,724
Floor stocks	0	0	0	0	0
Compressed natural gas	1,026	895	1,735	1,406	1,401
Alcohol fuels [2]	5,462	408	-9,986	7,367	2,715
Fuels used commercially on inland waterways	114,110	111,311	111,058	110,364	103,375
Truck, trailer, and semitrailer chassis and bodies, and tractors	1,573,968	1,574,947	1,608,208	2,235,178	3,008,461
<b>Manufacturer's excise taxes:</b>					
Gas guzzlers [2]	78,157	79,705	126,685	140,834	163,825
Highway-type tires [2]	354,769	372,800	403,892	433,116	471,066
Tires other than Biasply or Super Single [3]	N/A	N/A	N/A	N/A	N/A
Biasply or Super Single tires [3]	N/A	N/A	N/A	N/A	N/A
Super Single tires for steering [3]	N/A	N/A	N/A	N/A	N/A
Aviation gasoline [4]	49,687	62,574	57,953	44,611	39,357
Gasoline, except for use in gasohol:					
Total, excluding floor stocks	20,619,195	20,942,138	20,169,608	18,232,507	23,725,624
Floor stocks	-21	2	0	0	0
Diesel fuel, except for trains and intercity buses:					
Total, excluding floor stocks [2]	8,208,994	8,214,559	8,581,467	9,016,694	9,376,555
Floor stocks	0	0	0	0	0
Diesel-water fuel emulsion	N/A	N/A	N/A	N/A	N/A
Kerosene for use in aviation	N/A	N/A	N/A	N/A	N/A
Floor stocks	N/A	N/A	N/A	N/A	N/A
Other exempt fuels	N/A	N/A	N/A	N/A	N/A
Alternative fuel:					
Liquid petroleum gas	N/A	N/A	N/A	N/A	N/A
Biodiesel fuel, not used as fuel	N/A	N/A	N/A	N/A	N/A
P series fuel	N/A	N/A	N/A	N/A	N/A
Compressed natural gas	N/A	N/A	N/A	N/A	N/A
Liquefied hydrogen	N/A	N/A	N/A	N/A	N/A
Liquefied fuel derived from coal	N/A	N/A	N/A	N/A	N/A
Liquefied hydrocarbons—biomass	N/A	N/A	N/A	N/A	N/A
Liquefied natural gas	N/A	N/A	N/A	N/A	N/A
Gasoline for use in gasohol by alcohol content:					
Total, excluding floor stocks:					
5.7 percent under 7.7 percent	9	77	2,320	15,436	3,601
7.7 percent under 10 percent	4,839	4,835	946	503	90
10 percent or more	243,702	302,407	358,002	306,441	73,182
Floor stocks	1	-1	0	0	0
Gasohol by alcohol content:					
Total, excluding floor stocks:					
5.7 percent under 7.7 percent	297,763	406,578	1,296,991	2,363,320	608,812
7.7 percent under 10 percent	146,196	176,148	91,017	97,098	35,462
10 percent or more	1,918,995	1,932,347	2,313,542	2,899,287	833,017
Floor stocks	-4	0	0	0	0

# Sole Proprietorship Returns, 2007

by Adrian Dungan

**F**or Tax Year 2007, there were approximately 23.1 million individual income tax returns that reported nonfarm sole proprietorship activity, a 4.7-percent increase from 2006. Profits for these returns grew to a level of \$280.6 billion in 2007, a 0.9-percent increase from 2006. However, in constant dollars, total nonfarm sole proprietorship profits decreased for the second consecutive year, by 1.8 percent, after decreasing 0.4 percent in 2006.

Among all industrial sectors, the real estate and rental and leasing sector experienced the most significant downturn in both profits and receipts from Tax Years 2006 to 2007. After profits in the real estate and rental and leasing sector decreased by 18.5 percent in 2006, they slid even further in 2007, dropping another 17.7 percent.<sup>1</sup> In current dollar terms, these profits fell from \$27.2 billion reported in 2006 to \$22.3 billion in 2007. This sector also reported the largest percentage decrease in receipts for 2007, dropping from \$77.2 billion in 2006 to \$71.0 billion for 2007, an 8.0-percent decrease. In 2006, this sector had reported the largest percentage decrease in receipts for all sectors, at 6.9 percent.

However, not all industrial sectors reported declines for 2007. The professional, scientific, and technical services sector, representing 25.5 percent of total sole proprietorship profits at \$71.6 billion, had the largest profits of any sector, increasing 6.8 percent from 2006. Reporting the second largest profits of any sector was the health care and social assistance sector, with 16.4 percent of total profits, at \$46.1 billion.

For sole proprietorships as a whole, receipts increased 3.6 percent, and deductions increased 4.3 percent. The construction sector reported the largest percentage of total business receipts and deductions among all industrial sectors, with 17.4 percent and

18.7 percent, respectively. This sector reported a 2.4-percent decrease in receipts and a 1.9-percent decrease in deductions. Although not among the larger of the industrial sectors, the finance and insurance sector reported the largest percentage increase in both receipts and deductions, with a 14.1-percent increase in business receipts and a 17.3-percent increase in deductions.

## Returns and Receipts

The number of individual income tax returns reporting nonfarm sole proprietorship activity for 2007 increased 4.7 percent to more than 23.1 million (Figure A).<sup>2</sup> Professional, scientific, and technical services, the largest sector in terms of number of returns, increased by 10.4 percent to more than 3.2 million returns. This sector also accounted for the largest reported increase in number of returns for any industrial sector.

The construction sector, which was the second largest sector, reported roughly 2.9 million returns, a slight increase of 0.5 percent. The only two sectors to have decreases in the number of returns for 2007, were retail trade (1.2 percent) and wholesale trade (10.1 percent). The latter, however, is the smallest sole proprietorship sector analyzed in this article, with only 0.3 million returns.

Total business receipts (the sum of income from sales and operations and other business income) for all nonfarm sole proprietorship industries increased 3.6 percent, from \$1,278.4 billion to \$1,324.4 billion.<sup>3</sup> The construction sector is the largest sector in terms of business receipts and accounts for 17.4 percent of total business receipts. Its receipts decreased by 2.4 percent in 2007, a change in direction from the 11.9-percent and 6.3-percent increases in 2005 and 2006, respectively.

The retail trade sector, the second largest sector in terms of business receipts, was back up (2.2 percent) after a slight drop (1.4 percent) last year. The two industries with the largest percentage increases

*Adrian Dungan is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.*

<sup>1</sup> Dent, Jonathan; Jeff Curry; and Justin Bryan, "Sole Proprietorship Returns, 2006," *Statistics of Income Bulletin*, Fall 2008, Volume 28, Number 2, pp. 70-128. Profits in the real estate and rental and leasing sector increased from \$27.9 billion in 2004 to \$33.3 billion in 2005.

<sup>2</sup> For 2007, the 23,122,698 nonfarm sole proprietorship returns accounted for an estimated 25,822,467 nonfarm businesses. For purposes of the statistics, if a proprietor owned more than one business, the statistics for each business were combined with those of the proprietor's dominant business and included in the industrial group for that business activity. When this occurred, the sum of net incomes (for businesses reporting a positive net income) reduced by the sum of net deficits (for businesses reporting a deficit) yielded the profits for a specific industrial group.

<sup>3</sup> Statistics for business receipts, total in Table 2 represent total receipts of the business, mainly gross receipts from sales and operations. Business receipts also include miscellaneous business receipts, such as incidental sales of scrap, shown separately in the statistics as other business income. However, business receipts exclude incidental investment income received through the business. Examples of such incidental investment income are interest, dividends, income or loss from rents or royalties, and capital or ordinary gain or loss from the sale of investment and business property. Sole proprietors report incidental investment income, in combination with nonbusiness-related investment income, as part of total income on individual income tax returns.

# Sole Proprietorship Returns, 2007

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**Figure A**

## Nonfarm Sole Proprietorship Returns, Receipts, and Deductions, by Selected Industrial Sectors, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in billions of dollars]

Industrial sector	Number of returns			Total business receipts			Total business deductions [1]		
	2006	2007	Percentage increase	2006	2007	Percentage increase	2006	2007	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All nonfarm industries</b>	<b>22,075.0</b>	<b>23,122.7</b>	<b>4.7</b>	<b>1,278.4</b>	<b>1,324.4</b>	<b>3.6</b>	<b>1,001.1</b>	<b>1,044.3</b>	<b>4.3</b>
Construction	2,915.8	2,931.1	0.5	236.4	230.8	-2.4	199.0	195.2	-1.9
Specialty trade contractors	2,287.0	2,347.4	2.6	158.4	159.7	0.9	129.9	131.9	1.6
Wholesale trade (merchant wholesalers)	378.5	340.4	-10.1	48.5	50.4	4.0	43.7	45.6	4.6
Retail trade	2,466.1	2,436.3	-1.2	194.6	198.9	2.2	185.7	189.5	2.0
Transportation and warehousing	1,084.0	1,154.8	6.5	76.3	82.1	7.7	65.5	71.2	8.8
Finance and insurance	688.3	726.0	5.5	82.4	94.0	14.1	62.9	73.8	17.3
Real estate and rental and leasing	1,381.3	1,393.4	0.9	77.2	71.0	-8.0	50.0	48.7	-2.6
Real estate	1,318.1	1,336.8	1.4	73.5	66.9	-8.9	46.4	44.8	-3.5
Professional, scientific, and technical services	2,929.7	3,234.5	10.4	156.1	169.3	8.5	89.1	97.8	9.7
Administrative and support and waste management and remediation services	2,140.7	2,251.0	5.2	57.2	60.3	5.4	41.1	43.9	6.8
Health care and social assistance	1,873.5	2,016.4	7.6	110.4	115.5	4.6	66.0	69.5	5.3
Child day care services	715.3	797.9	11.5	10.9	12.5	13.8	7.0	7.9	12.9
Arts, entertainment, and recreation	1,238.3	1,283.3	3.6	30.0	31.0	3.5	22.9	23.5	2.3
Performing arts, spectator sports, and related industries	1,039.5	1,068.0	2.7	21.7	23.9	10.5	15.7	16.5	5.5
Other services	2,281.8	2,416.2	5.9	81.8	84.8	3.6	63.8	65.6	2.7
Personal and laundry services	1,401.4	1,583.3	13.0	38.2	43.6	14.2	26.8	30.8	14.9
All other industries	2,697.0	2,939.2	9.0	127.5	136.2	6.8	111.3	120.1	7.9

[1] Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from prior years.

NOTES: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

in business receipts were the finance and insurance sector and the professional, scientific, and technical services sector. They grew by 14.1 percent and 8.5 percent, respectively, providing a combined total increase of \$24.8 billion in business receipts. For all sectors, total business receipts for nonfarm sole proprietorships increased by \$46.0 billion in 2007, meaning that the two industries achieving the largest gains accounted for 53.9 percent of the aggregate increase.

The third largest increase came from the transportation and warehousing sector with a 7.7-percent growth in receipts. The real estate and rental and leasing sector, which showed the largest percentage

decrease in receipts for Tax Year 2006 (6.9 percent), once again reported the largest percentage decrease in receipts among all industrial sectors for Tax Year 2007, decreasing 8.0 percent. In constant dollar terms, the percentage increase in total business receipts went up 0.8 percent in 2007, down from the larger 3.9-percent and 1.1-percent increases seen in 2005 and 2006, respectively (Figure B).<sup>4</sup>

### Deductions

Total business deductions (cost of sales and operations plus business expenses, including expenses for home office) in current dollars increased 4.3 percent, from \$1,001.1 billion for 2006 to \$1,044.3 billion for

<sup>4</sup> Based on the overall implicit price deflator for Gross Domestic Product (GDP). See U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*. Indices used for this article were:

Year	Indices	Year	Indices	Year	Indices
1988	75.7	1993	88.	1998	96.5
1989	78.6	1994	90.3	1999	97.9
1990	81.6	1995	92.1	2000	100.0
1991	84.4	1996	93.9	2001	102.4
1992	86.4	1997	95.4	2002	103.9
				2003	106.0
				2004	109.1
				2005	112.7
				2006	116.6
				2007	119.8

# Sole Proprietorship Returns, 2007

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**Figure B**

## Nonfarm Sole Proprietorship Receipts, Deductions, and Profits, Tax Years 1988-2007

(Money amounts are in billions of dollars)

Tax year	Total business receipts			Total business deductions [1]			Net income less deficit (profits)		
	Current dollars	Constant dollars [2]		Current dollars	Constant dollars [2]		Current dollars	Constant dollars [2]	
		Amount	Percentage increase		Amount	Percentage increase		Amount	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1988	672.0	887.8	[3]	545.7	720.9	[3]	126.3	166.9	[3]
1989	692.8	881.9	-0.7	560.2	713.1	-1.1	132.7	168.9	1.2
1990	730.6	895.5	1.5	589.2	722.1	1.3	141.4	173.3	2.6
1991	712.6	843.9	-5.8	571.2	676.4	-6.3	141.5	167.6	-3.3
1992	737.1	853.3	1.1	583.1	675.0	-0.2	154.0	178.3	6.4
1993	757.2	856.8	0.4	600.8	679.7	0.7	156.5	177.0	-0.7
1994	790.6	876.0	2.2	623.8	691.2	1.7	166.8	184.8	4.4
1995	807.4	876.6	0.1	638.1	692.8	0.2	169.3	183.8	-0.6
1996	843.2	898.5	2.5	666.5	710.1	2.5	176.8	188.3	2.5
1997	870.4	912.2	1.5	683.9	716.7	0.9	186.6	195.6	3.9
1998	918.3	951.8	4.3	716.2	742.3	3.6	202.3	209.7	7.2
1999	969.3	990.5	4.1	761.4	778.0	4.8	207.9	212.5	1.3
2000	1,021.0	1,021.0	3.1	806.4	806.4	3.6	214.7	214.7	1.1
2001	1,016.8	993.3	-2.7	799.6	781.1	-3.1	217.4	212.3	-1.1
2002	1,029.7	990.6	-0.3	808.9	778.2	-0.4	221.1	212.7	0.2
2003	1,050.2	990.8	[4]	820.2	773.8	-0.6	230.3	217.3	2.1
2004	1,139.5	1,044.5	5.4	892.4	818.0	5.7	247.6	226.9	4.4
2005	1,222.9	1,084.7	3.9	953.4	845.7	3.4	269.9	239.4	5.5
2006	1,278.4	1,096.7	1.1	1,001.1	858.8	1.6	278.0	238.5	-0.4
2007	1,324.4	1,105.4	0.8	1,044.3	871.6	1.5	280.6	234.2	-1.8

[1] Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from prior years. However, these losses (after subtraction) and any carryover are reflected in net income or deficit. Therefore, total business receipts minus total business deductions may not always equal net income or deficit.

[2] Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis, in the Survey of Current Business. The deflator represents the annual average of current-weighted prices, based on 2000 = 100.

[3] Not calculated.

[4] Less than 0.05 percent.

NOTE: Percentage increases were calculated before rounding.

2007 (Figure A).<sup>5, 6</sup> In addition to reporting the largest percentage increase in receipts, the finance and insurance sector also reported the largest percentage increase in total business deductions with 17.3 percent. The largest sector in terms of total business deductions, the construction sector, reported a 1.9-percent decrease in deductions. The real estate and rental and leasing sector was the only other sector to show a percentage decrease in deductions, decreasing 2.6 percent. As shown in Figure B, when accounting for inflation, total business deductions increased 1.5 percent in 2007, the fourth straight year in which total inflation-adjusted business deductions increased.

The cost of sales and operations, which represented 40.5 percent of total 2007 business deductions, increased 3.2 percent from its 2006 level to approximately \$422.7 billion (Figure C). Total busi-

ness expenses (total business deductions minus the cost of sales and operations) were \$621.7 billion for 2007, a 5.1-percent increase from the 2006 amount. The main components of total business expenses are highlighted in Figure D. Surpassing salaries and wages (which was the largest expense item for 2006), the largest component was car and truck expenses, accounting for 13.2 percent of the total. For 2007, car and truck expenses totaled \$82.0 billion, a substantial 8.8-percent increase from 2006.

Closely following car and truck expenses, accounting for 12.8 percent of total business expenses, were salaries and wages which increased 3.0 percent from 2006 to \$79.4 billion. The next largest components were rent on business property, machinery, and equipment (6.9 percent), and depreciation (6.4 percent). For 2007, rent on business property, machin-

<sup>5</sup> Sole proprietors report personal, i.e., nonbusiness, income and expense items apart from business income or loss, which is reported on the attached Schedule C, *Profit or Loss From Business* (or, to a lesser extent, on Schedule C-EZ, *Net Profit From Business*). Salaries paid to owners are neither deducted as wages paid on Schedule C, nor included as wages received on Form 1040. Similarly, sole proprietors deduct charitable contributions made through the business as personal expenses on Schedule A, *Itemized Deductions*. However, the owner of a sole proprietorship may choose to deduct any foreign taxes paid as a business expense, unless the owner elects to claim these taxes as a credit against U.S. income tax.

<sup>6</sup> Business deductions include home office business deductions. After 1990, home office expenses were calculated separately on Form 8829, *Expenses for Business Use of Your Home*, and the deductible portion brought forward to Schedule C. In some cases, these expenses were limited. Prior to 1990, these expenses were not limited and were included with other expenses, such as depreciation deductions, utilities, and other expenses on Schedule C.



# Sole Proprietorship Returns, 2007

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**Figure C**

## Components of Nonfarm Sole Proprietorship Business Deductions, Tax Years 2006 and 2007

[Money amounts are in millions of dollars]

Business deductions	2006	2007	Percentage increase
	(1)	(2)	(3)
<b>Business deductions, total [1,2]</b>	<b>1,001,097.6</b>	<b>1,044,343.4</b>	<b>4.3</b>
<b>Cost of sales and operations, total</b>	<b>409,661.0</b>	<b>422,684.5</b>	<b>3.2</b>
Inventory, beginning of year	41,101.7	44,469.6	8.2
Cost of labor	31,743.9	34,514.6	8.7
Purchases	259,992.7	264,234.8	1.6
Materials and supplies	59,699.4	61,519.0	3.0
Other costs	61,626.5	64,956.7	5.4
Inventory, end of year	44,503.2	47,010.1	5.6
<b>Business expenses, total [1]</b>	<b>591,436.6</b>	<b>621,658.9</b>	<b>5.1</b>
Advertising expenses	15,274.1	15,731.0	3.0
Car and truck expenses	75,402.4	82,023.8	8.8
Commissions	15,634.3	14,569.2	-6.8
Contract labor	34,577.9	36,674.4	6.1
Depletion	1,058.4	1,021.1	-3.5
Depreciation [3]	39,004.5	39,646.0	1.6
Employee benefit programs	2,867.7	2,909.5	1.5
Home office business deductions [3]	10,119.5	11,217.6	10.9
Depreciation, Form 8829	1,639.7	1,439.1	-12.2
Insurance	19,083.9	19,290.6	1.1
Legal and professional services	10,092.9	10,934.4	8.3
Meals and entertainment deducted	7,306.3	7,661.5	4.9
Mortgage interest	6,297.5	6,649.0	5.6
Other interest paid on business indebtedness	7,214.5	8,368.2	16.0
Office expenses	13,024.7	13,297.3	2.1
Pension and profit-sharing plans	1,276.9	1,279.7	0.2
Rent on machinery and equipment	9,350.3	9,526.5	1.9
Rent on other business property	31,229.2	33,613.2	7.6
Repairs	15,726.0	16,170.7	2.8
Salaries and wages	77,038.7	79,380.3	3.0
Supplies	32,136.9	32,325.5	0.6
Taxes paid	17,660.0	18,183.2	3.0
Travel	11,861.2	13,134.0	10.7
Utilities	23,842.8	24,856.2	4.3
Other business deductions	110,762.7	119,516.1	7.9

[1] Includes returns with Schedule C-EZ, *Net Profit from Business*, attached. Because only a total is reported for business deductions on Schedule C-EZ, the totals shown in the statistics exceed the sum of the detailed deductions; the detailed deductions are, therefore, slightly understated.

[2] Total business deductions are before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from the prior years.

[3] Depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*, is included in "home office business deductions" and excluded from "depreciation" shown above.

NOTES: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

ery, and equipment expenses increased 6.3 percent to \$43.1 billion, while depreciation expenses rose 1.6 percent to \$39.6 billion. Car and truck expenses showed the largest net increase in share of business expenses at 0.4 percentage points, up from 12.8 percent in 2006, while commissions showed the largest net decrease at 0.3 percentage points, down from 2.6 percent for 2006.

Historically, constant dollar depreciation increased every year from 1993 through 2002, with

the exception of 1995, when it decreased 1.9 percent to \$28.5 billion (Figure E).<sup>7</sup> In 2003, under the Jobs and Growth Tax Relief Reconciliation Act of 2003, the maximum allowable section 179 deduction (which allows expensing of investment property in the year of purchase instead of depreciating it over time) vaulted from \$24,000 for 2002 to \$100,000 for 2003. This change led to constant dollar depreciation increasing by 11.7 percent for 2003, which was the highest growth in depreciation of any year between

<sup>7</sup> The increase in the depreciation deduction for 1993 may be attributed, in part, to a provision of the Omnibus Budget Reconciliation Act of 1993 (OBRA93). The cost of certain tangible property (as described in Internal Revenue Code section 179) may be treated as a current expense rather than a capital expenditure subject to depreciation deductions. The provision of OBRA93 (related to these expenses) increased the maximum amount of investment certain small businesses could immediately deduct on property placed in service after 1992, from \$10,000 to \$17,500. Following the enactment of this provision, the 179 deduction for all individuals (not just sole proprietors) filing Form 4562, *Depreciation and Amortization*, increased 32.4 percent to \$13.5 billion for 1993.

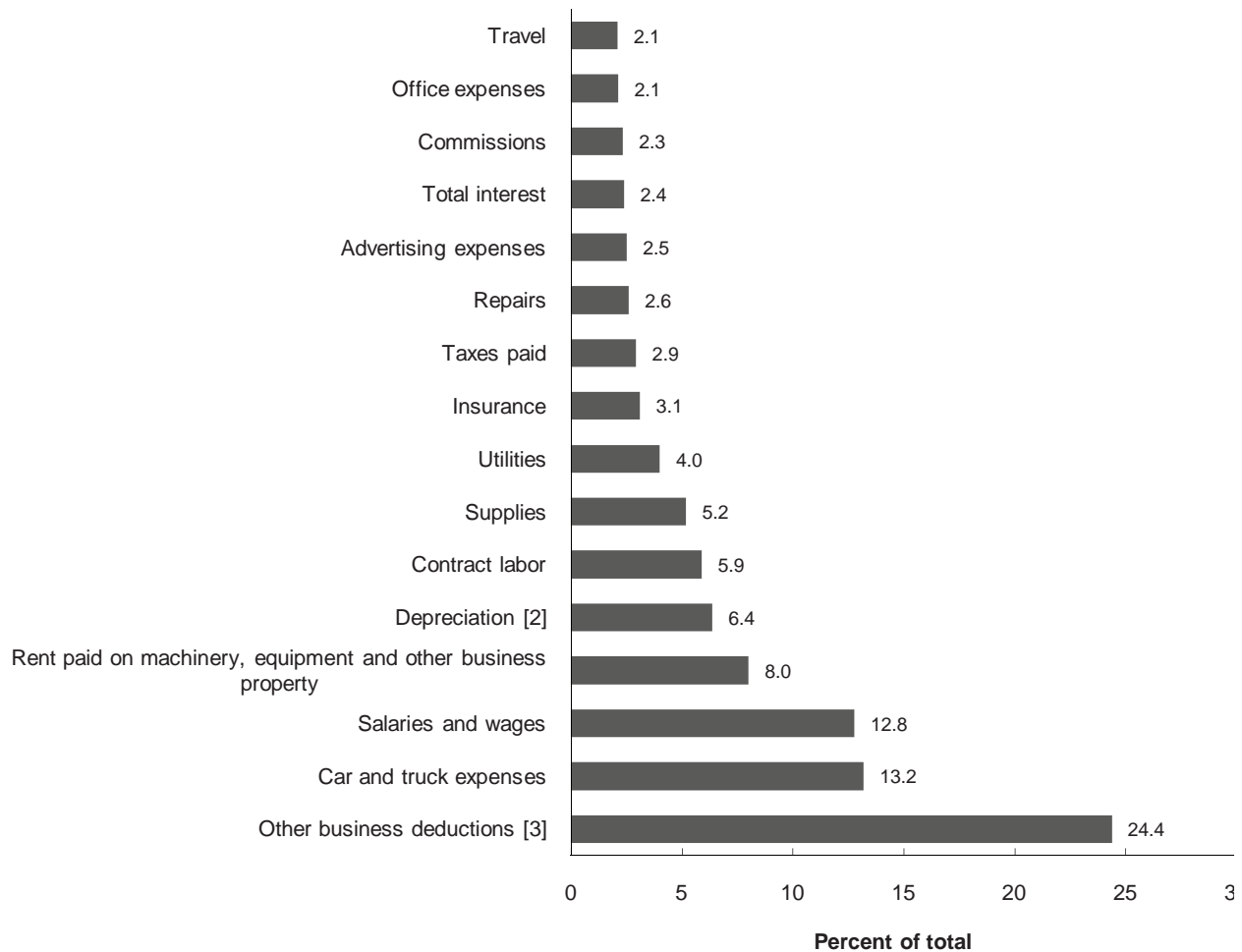


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**Figure D**

## Nonfarm Sole Proprietorship Total Business Expenses by Type of Expenses, Tax Year 2007 [1]



[1] Total business expenses equal all business deductions minus cost of sales and operations.

[2] Depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*, is included in "home office business deductions" and excluded from "depreciation" shown above. See footnote 3 below.

[3] Depletion; employee benefit programs; legal and professional services; pension and profit-sharing plans; meals and entertainment; and home office business deductions. Other business deductions also include all Schedule C-EZ, *Net Profit from Business*, deductions (\$3.7 billion).

NOTES: Percentages are based on an estimated total business expense of \$621.7 billion. Detail may not add to 100 percent because of rounding.

1988 and 2007. But the initial jump in depreciation was offset in subsequent years by trends of decreased depreciation.

From 2004 through 2007, constant dollar declines of depreciation were witnessed for all 4 years. In 2004, constant dollar depreciation deductions decreased by 0.2 percent, marking the first drop in

9 years. This downward trend was even more evident in 2005, as constant dollar depreciation plummeted 11.8 percent, followed by decreases of 3.5 percent and 1.1 percent in 2006 and 2007, respectively. During this same 4-year period, section 179 limits gradually increased for inflation, from \$102,000 in 2004, to \$105,000

# Sole Proprietorship Returns, 2007

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Figure E

## Nonfarm Sole Proprietorship Net Income, Deficit, and Depreciation, Tax Years 1988-2007

(Money amounts are in billions of dollars)

Tax year	Current dollars			Constant dollars [1]			Percentage increase in constant dollars [1]		
	Net income	Deficit	Depreciation [2]	Net income	Deficit	Depreciation [2]	Net income	Deficit	Depreciation [2]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1988	145.5	19.2	26.1	192.2	25.4	34.5	[3]	[3]	[3]
1989	152.4	19.7	24.5	194.0	25.1	31.2	0.9	-1.1	-9.6
1990	161.7	20.2	23.7	198.2	24.8	29.0	2.2	-1.3	-6.9
1991	162.4	20.9	23.1	192.3	24.8	27.4	-3.0	[4]	-5.8
1992	173.5	19.5	23.3	200.8	22.6	27.0	4.4	-8.8	-1.4
1993	177.0	20.5	25.0	200.3	23.2	28.3	-0.3	2.8	4.9
1994	187.8	21.0	26.2	208.1	23.3	29.0	3.9	0.3	2.6
1995	191.7	22.5	26.2	208.2	24.4	28.5	[4]	4.8	-1.9
1996	200.1	23.4	27.4	213.2	24.9	29.2	2.4	2.1	2.4
1997	210.5	23.8	28.6	220.6	25.0	30.0	3.4	0.3	2.9
1998	226.2	23.9	29.1	234.5	24.8	30.2	6.3	-0.7	0.7
1999	233.4	25.5	30.6	238.5	26.0	31.3	1.7	4.9	3.7
2000	245.2	30.5	32.2	245.2	30.5	32.2	2.8	17.3	2.8
2001	250.2	32.8	33.4	244.4	32.0	32.7	-0.3	5.0	1.4
2002	257.3	36.2	36.6	247.5	34.8	35.3	1.3	8.7	8.0
2003	269.1	38.8	41.8	253.9	36.6	39.4	2.6	5.1	11.7
2004	290.5	42.9	42.9	266.3	39.3	39.3	4.9	7.5	-0.2
2005	314.8	44.8	39.1	279.2	39.8	34.7	4.9	1.1	-11.8
2006	326.8	48.7	39.0	280.3	41.8	33.5	0.4	5.1	-3.5
2007	335.1	54.5	39.6	279.7	45.5	33.1	-0.2	8.9	-1.1

[1] Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis, in the Survey of Current Business. The deflator represents the annual average of current-weighted prices, based on 2000 = 100.

[2] Excludes depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*.

[3] Not calculated.

[4] Less than 0.05 percent.

NOTE: Percentage increases were calculated before rounding.

in 2005, to \$108,000 in 2006, finally rising to \$125,000 in 2007.<sup>8, 9</sup>

Beginning with Tax Year 1992, certain smaller businesses could elect not to itemize depreciation and other business deductions by filing Schedule C-EZ, *Net Profit From Business*, a simplified version of Schedule C, *Profit or Loss From Business* (Schedule C and Schedule C-EZ are the source of sole proprietorship statistics). For Tax Year 2007, taxpayers could use Schedule C-EZ if they: had business expenses of \$5,000 or less; used the cash accounting method; had no inventories; did not report a loss from the business; had only one business as a sole proprietor; had no employees; were not required to

file Form 4562, *Depreciation and Amortization*, for the business; claimed no deduction for home business expenses; and had no prior-year disallowed passive activity losses from the business. Since taxpayers using Schedule C-EZ did not itemize business deductions, the detailed deductions in Table 2 are slightly understated and do not add to the totals.

Figure F presents the numbers and percentages of nonfarm sole proprietorship returns filed on Schedule C-EZ, by industrial sector. For Tax Year 2007, approximately 4.4 million taxpayers filed Schedule C-EZ, marking a 9.2-percent increase from the number filed for 2006. Of returns filed for 2007 in the administrative and support services sector (the

<sup>8</sup> Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 the maximum amount of section 179 deduction (the amount of depreciable property that can be expensed for the cost of certain qualifying property) increased from \$24,000 for 2002 to \$100,000 for 2003, \$102,000 for 2004, \$105,000 for 2005, \$108,000 for 2006, and \$125,000 for 2007. For all individual tax returns that filed Form 4562, *Depreciation and Amortization*, the section 179 property deducted as an expense increased by 6.1 percent to \$47.5 billion for 2007. The Jobs Creation and Worker Assistance Act of 2002 introduced 30-percent bonus depreciation, and the Jobs and Growth Tax Relief Reconciliation Act of 2003 increased the bonus percentage to 50 percent, for property placed in service by January 1, 2005. While bonus depreciation was available to sole proprietors, it was generally not as advantageous as immediate expensing and therefore likely had less effect on their depreciation deductions.

<sup>9</sup> The amount deducted as section 179 property on returns with Schedule C dropped slightly (by 1.3 percent) to \$21.2 billion, from 2006 to 2007. This number does not reflect depreciation solely deducted on Schedule C as it could also include depreciation taken on Schedule E, Supplemental Income and Loss, Schedule F, Profit or Loss from Farming, and Form 4835, Farm Rental Income and Expenses.

# Sole Proprietorship Returns, 2007

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**Figure F**

## All Nonfarm Sole Proprietorship Returns and Those with Schedule C-EZ, by Selected Industrial Sectors, Tax Year 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Industrial sector	Number of returns			Total business receipts			Total business deductions [1]		
	Total	With Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All nonfarm industries</b>	<b>23,122.7</b>	<b>4,399.5</b>	<b>19.0</b>	<b>1,324,403.1</b>	<b>31,215.2</b>	<b>2.4</b>	<b>1,044,343.4</b>	<b>3,679.9</b>	<b>0.4</b>
Construction	2,931.1	470.8	16.1	230,835.1	3,626.9	1.6	195,237.8	372.2	0.2
Wholesale trade (merchant wholesalers)	340.4	41.7	12.3	50,447.2	319.1	0.6	45,646.3	25.1	0.1
Retail trade	2,436.3	246.7	10.1	198,881.1	1,225.3	0.6	189,472.4	243.0	0.1
Transportation and warehousing	1,154.8	159.4	13.8	82,138.4	1,353.8	1.6	71,219.2	149.5	0.2
Finance and insurance	726.0	91.7	12.6	93,984.4	793.1	0.8	73,827.1	99.1	0.1
Real estate and rental and leasing	1,393.4	107.6	7.7	70,954.8	1,078.8	1.5	48,684.6	128.0	0.3
Professional, scientific, and technical services	3,234.5	534.9	16.5	169,272.7	5,144.9	3.0	97,752.0	532.0	0.5
Administrative and support and waste management and remediation services	2,251.0	629.9	28.0	60,343.2	4,108.7	6.8	43,914.2	497.6	1.1
Health care and social assistance	2,016.4	526.9	26.1	115,531.9	4,160.0	3.6	69,484.3	368.1	0.5
Arts, entertainment, and recreation	1,283.3	262.1	20.4	31,043.7	1,244.2	4.0	23,451.6	235.0	1.0
Other services	2,416.2	528.5	21.9	84,794.5	4,065.3	4.8	65,566.8	526.9	0.8
All other industries	2,939.2	799.5	27.2	136,176.1	4,095.2	3.0	120,087.0	503.4	0.4

[1] Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from prior years.

NOTES: Certain smaller sole proprietorships could elect not to itemize business deductions by filing Schedule C-EZ, Net Profit From Business. See the text of this article for a full list of the requirements to be eligible to file Schedule C-EZ. Detail may not add to totals because of rounding. Percentages were calculated before rounding.

largest filers of this schedule), taxpayers filed over 0.6 million Schedule C-EZ returns, or 28.0 percent of the total for that sector.<sup>10</sup> For 2007, business receipts from Schedule C-EZ filers totaled \$31.2 billion, or 2.4 percent of total business receipts reported. Business deductions reported on Schedule C-EZ returns accounted for only 0.4 percent of total business deductions for all industries, or \$3.7 billion of the total \$1,044.3 billion. Despite having the largest concentration of Schedule C-EZ filers, deductions reported on Schedule C-EZ by the administrative and support services sector accounted for only 1.1 percent of that sector's total business deductions.

## Profits and Losses

For 2007, many of the largest principal industrial sectors reported either modestly increased or decreased sole proprietorship profits (net income less deficit). Figure B presents total profits for all industries (in both current and constant dollars) since 1988, while Figure G presents profits by industrial sector for 2006 and 2007.<sup>11</sup> Total profits increased 0.9 percent, from \$278.0 billion for 2006 to \$280.6 billion for 2007.

The professional, scientific, and technical services sector, which had the highest percentage of total profits of all nonfarm sole proprietorships with 25.5

percent, reported the highest dollar increase in profits (\$4.6 billion) and the largest percentage increase in profits (6.8 percent). A moderately smaller sector, the health care and social assistance sector, reported

**Figure G**

## Nonfarm Sole Proprietorship Profits, by Selected Industrial Sectors, Tax Years 2006 and 2007

[Money amounts are in billions of dollars]

Industrial sector	Net income less deficit (profits)		
	2006	2007	Percentage increase
	(1)	(2)	(3)
<b>All nonfarm industries</b>	<b>278.0</b>	<b>280.6</b>	<b>0.9</b>
Construction	37.6	35.7	-5.1
Specialty trade contractors	28.7	27.9	-2.9
Wholesale trade (merchant wholesalers)	4.8	4.8	-0.7
Retail trade	9.0	9.5	5.4
Transportation and warehousing	10.8	11.0	1.4
Finance and insurance	19.5	20.2	3.4
Real estate and rental and leasing	27.2	22.3	-17.7
Real estate	27.1	22.2	-18.1
Professional, scientific, and technical services	67.0	71.6	6.8
Administrative and support and waste management and remediation services	16.2	16.5	1.7
Health care and social assistance	44.5	46.1	3.5
Child day care services	4.0	4.6	15.2
Arts, entertainment, and recreation	7.1	7.6	6.2
Performing arts, spectator sports, and related industries	6.0	7.3	22.5
Other services	18.0	19.2	6.8
Personal and laundry services	11.3	12.7	12.3
All other industries	16.2	16.2	-0.4

NOTES: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

<sup>10</sup> Based on NAICS, the full name of the administrative and support services sector is administrative and support and waste management and remediation services sector. The waste management and remediation services portion makes up a small percentage of the overall numbers reported under this classification, which are detailed in Table 1. <sup>11</sup> Net income minus deficit (loss) before Federal income tax yields profits. Proprietors compute their tax on total taxable income, which includes their business profits, plus any other income.

## Sole Proprietorship Returns, 2007

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the second largest dollar increase in profits for 2007 at \$1.6 billion.

Interestingly, the real estate and rental and leasing sector, which reported the largest percentage increase in profits for 2005 (19.4 percent), reported the largest decrease in profits for 2006 with a drop of 18.5 percent. This trend continued through 2007 with another massive decrease of 17.7 percent. The industry has lost 33.0 percent of its profits in the 2-year period of 2006-2007. The only other sectors to show decreases in net profits for 2007 were the construction and wholesale trade sectors, which reported 5.1-percent and 0.7-percent decreases, respectively.

In constant dollars, total profits decreased 1.8 percent for 2007, marking a larger decline than the 0.4-percent decrease in 2006 (Figure B). Profits as a percentage of business receipts also decreased for 2007. Figure H displays net income less deficits as a percentage of business receipts for 1988 through 2007. In general, this percentage has increased slightly from a low of 18.8 percent for 1988. Profits as a percentage of business receipts have remained

between 20.7 percent and 22.1 percent over the last 16 years, peaking in 2005. In 2007, this percentage dropped 0.5 percent down to its current 21.2 percent. Figure E presents net income and deficit separately for 1988 through 2007, in current and constant dollars. For 2007, net income (in constant dollars) decreased 0.2 percent, and net deficit (in constant dollars) increased by 8.9 percent.

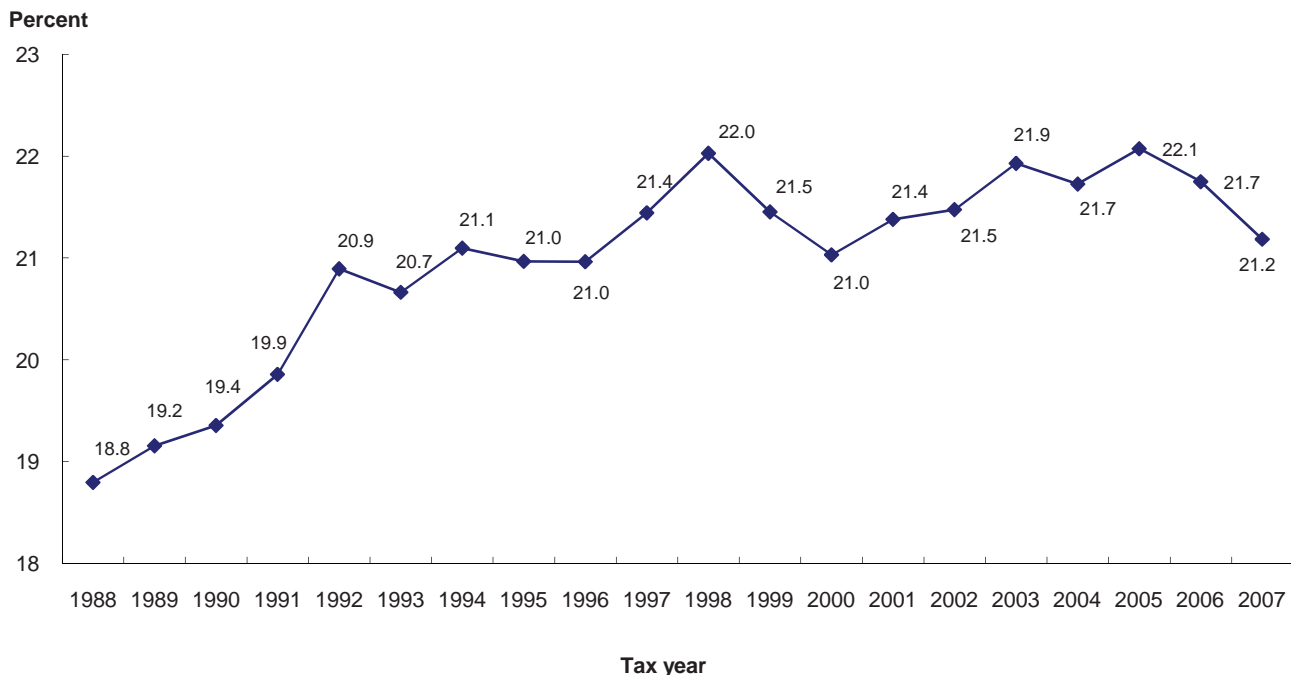
### Industries

Using receipts as a measure of business size, Figures A and I show that construction was the largest sole proprietorship industrial sector for 2007, with 17.4 percent of all business receipts (the fourth year in a row that this sector was largest). Total receipts for the construction sector, at \$230.8 billion, were 2.4 percent lower than the \$236.4 billion reported for 2006, while deductions decreased by 1.9 percent, resulting in a 5.1-percent decrease in profits to \$35.7 billion (see Figure G).

Besides construction, only one other major sector, the real estate sector, experienced a decline in business receipts for 2007. Despite the decline

**Figure H**

### Nonfarm Sole Proprietorship Net Income Less Deficit (Profits) as a Percentage of Business Receipts, Tax Years 1988-2007



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for both of these sectors, together they still represented 22.8 percent of all nonfarm industry business receipts.

The second largest industrial sector was retail trade, with receipts totaling \$198.9 billion. This amount was 15.0 percent of all sole proprietorship receipts for 2007, and it represented a 2.2-percent increase from the 2006 amount. Deductions and profits also increased in this sector by 2.0 percent and 5.4 percent, respectively. Retail trade profits totaled \$9.5 billion for 2007.

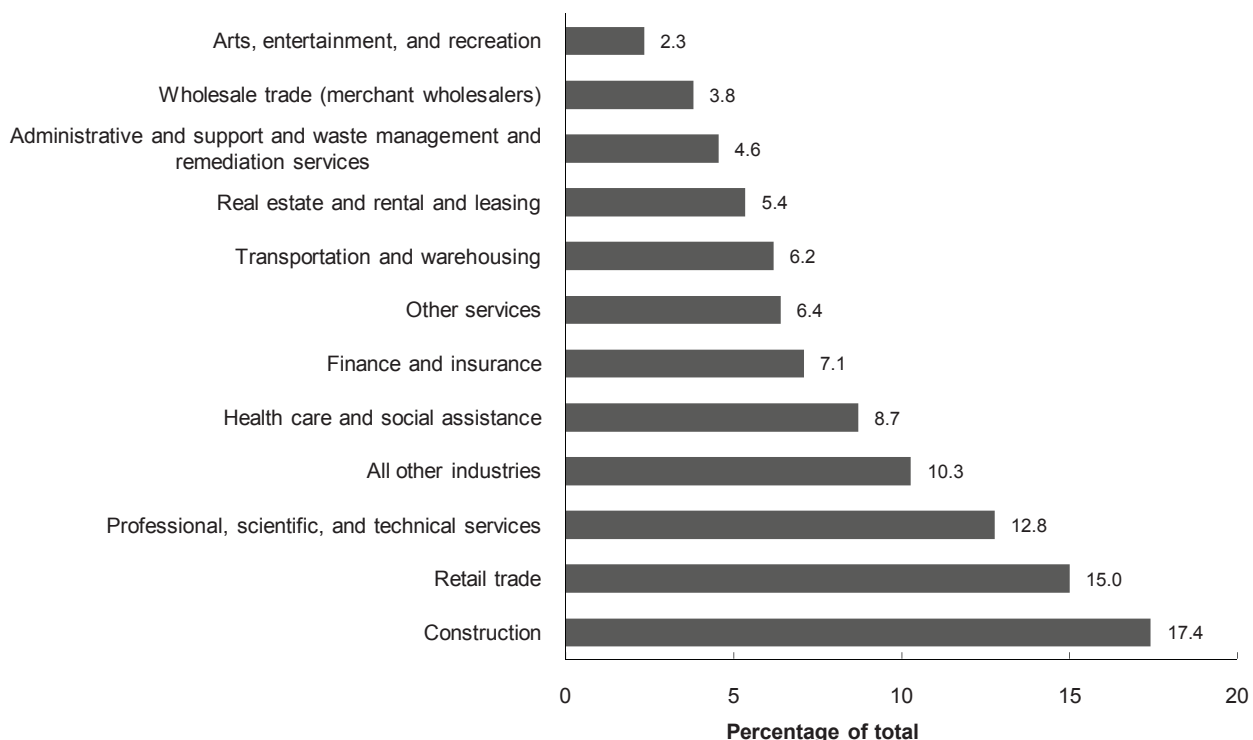
The third largest sector was professional, scientific, and technical services, which accounted for 12.8 percent of sole proprietorship receipts for 2007. Receipts increased 8.5 percent to \$169.3 billion, and deductions increased 9.7 percent to \$97.8 billion. Although this sector was just the third largest in terms of business receipts, the professional, scientific, and technical services sector had the largest percentage

of sole proprietorship profits, with 25.5 percent (see Figure J). For 2007, the professional, scientific, and technical services sector's profits went from \$67.0 billion to \$71.6 billion, a 6.8-percent increase from 2006. The sector with the second largest profits was health care and social assistance. These profits rose to \$46.1 billion for 2007, a 3.5-percent increase from 2006, and represented 16.4 percent of all sole proprietorship profits. This was followed by construction (12.7 percent, as cited above) and real estate and rental and leasing (8.0 percent) in terms of overall sole proprietor profits.

Tax Year 2001 is the first year in which data became available on the number of Limited Liability Companies (LLCs) among sole proprietorship returns. LLCs have the limited liability of corporations but may be taxed as sole proprietorships—income and expenses flow through to the owner to be taxed—if they are owned by a single, individual

**Figure I**

### Nonfarm Sole Proprietorship Total Business Receipts, by Selected Industrial Sectors, Tax Year 2007



NOTES: Percentages are based on estimated total business receipts of \$1.3 trillion. Detail may not add to 100 percent because of rounding.

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member. In 2001, there were approximately 126,000 sole proprietorship returns that indicated status as an LLC (Figure K). This increased by 15.3 percent for 2002, 51.3 percent for 2003, 40.4 percent for 2004, 47.2 percent for 2005, and 33.2 percent for 2006.

Increases in the actual number of LLCs also help illustrate the trend over the last few years. The count of LLCs increased by approximately 146,000 from 2004-2005, 151,000 from 2005-2006, and 140,000 from 2006-2007. For Tax Year 2007, the number of these sole proprietorships rose to approximately 750,000, a 23.1-percent increase from 2006. The 2007 level of LLCs among sole proprietorship returns accounts for 3.2 percent of total nonfarm sole proprietorships, with the total number of returns with LLCs having increased nearly sixfold since 2001.

### Summary

Profits for the 23.1 million returns with sole proprietorship activity for Tax Year 2007 grew by 0.9

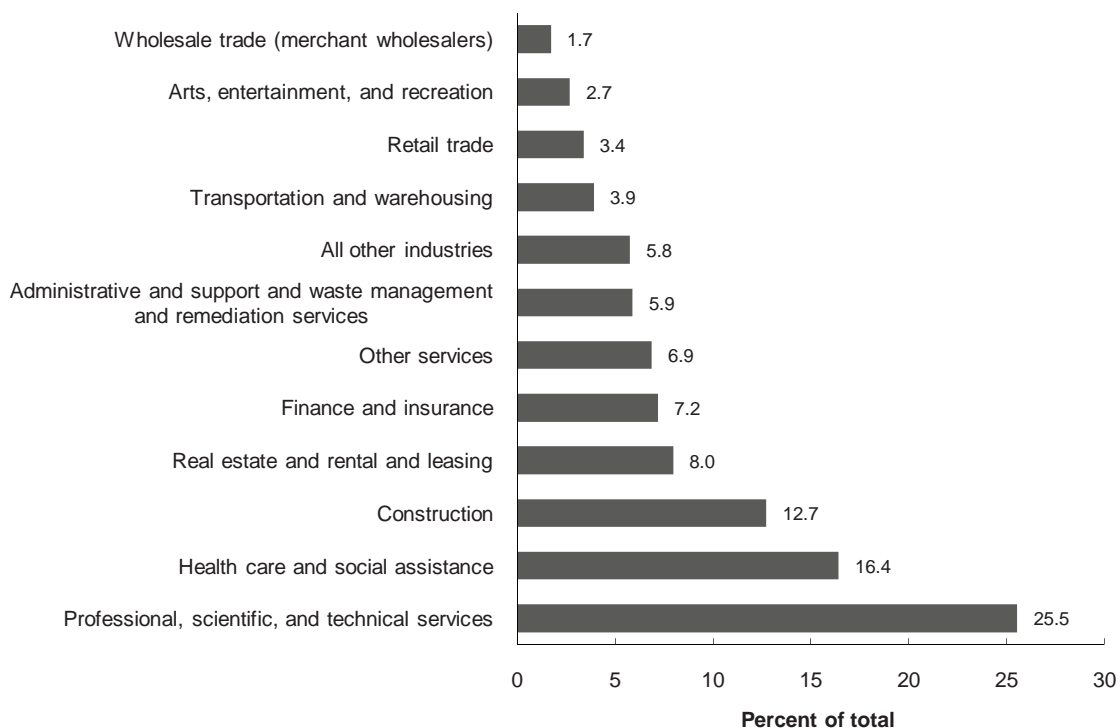
percent to a level of \$280.6 billion. In constant dollars, total nonfarm sole proprietorship profits decreased 1.8 percent, after decreasing 0.4 percent in 2006. This was the first time since before 1988 that profits (in constant dollars) have decreased in 2 consecutive years.

The professional, scientific, and technical services sector had the largest profits of any sector at \$71.6 billion, representing 25.5 percent of total sole proprietorship profits, followed by the health care and social assistance sector at \$46.1 billion, or 16.4 percent of total profits. For all sole proprietorships, receipts and deductions increased 3.6 percent and 4.3 percent, respectively.

The largest sole proprietorship industrial sector, based on business receipts, was the construction sector, accounting for 17.4 percent of receipts. This sector reported a 2.4-percent decrease in 2007. The finance and insurance sector showed the largest percentage increase in both receipts and deductions,

**Figure J**

### Nonfarm Sole Proprietorship Total Business Profits, by Selected Industrial Sectors, Tax Year 2007

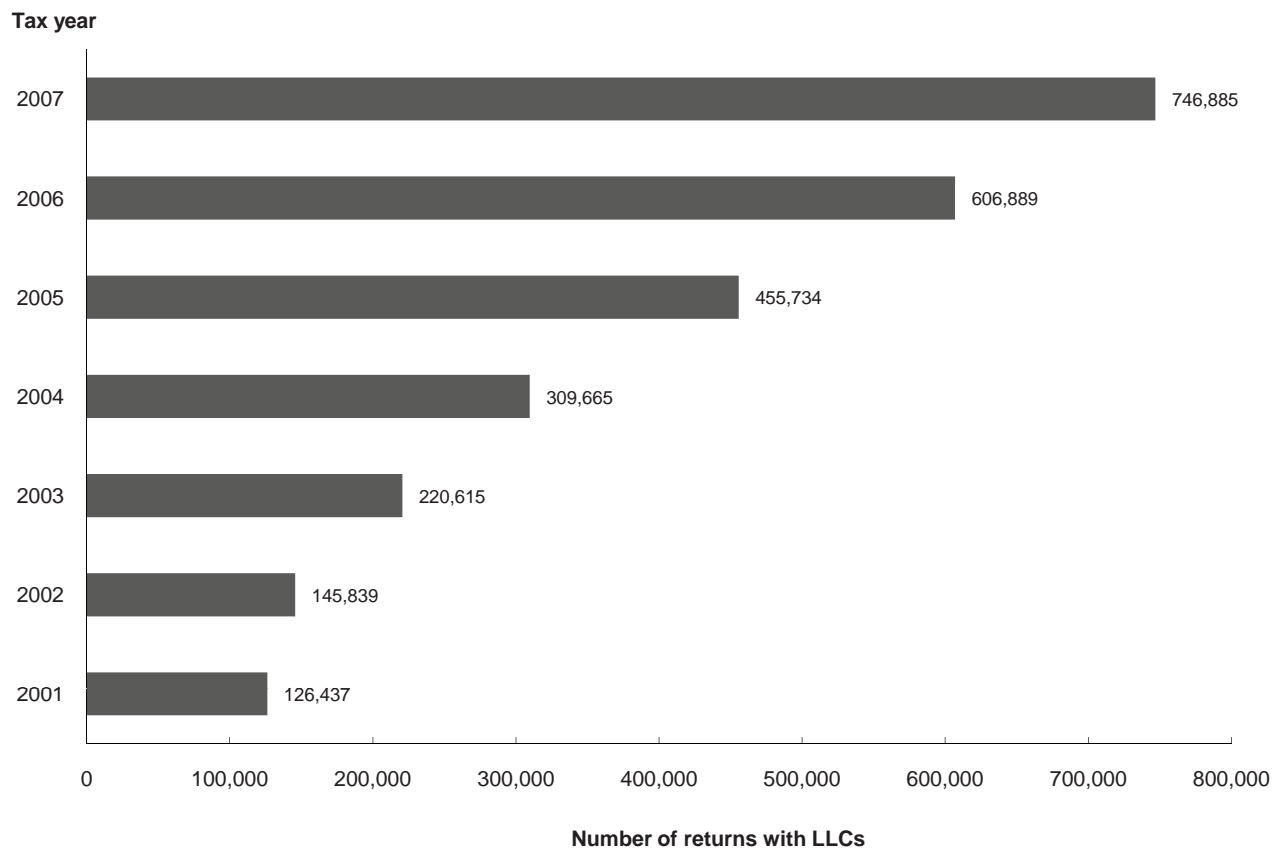


NOTES: Percentages are based on estimated total business profits of \$280.6 billion. Detail may not add to 100 percent because of rounding. "Profits" is a designation for "net income less deficit," shown elsewhere in this article.



**Figure K**

## Number of Nonfarm Sole Proprietorships Registered as Limited Liability Companies (LLCs), Tax Years 2001-2007



reporting a 14.1-percent increase in receipts and a 17.3-percent increase in deductions. Filings of Schedules C-EZ increased 9.2 percent in 2007, more than double the 4.0-percent increase for 2006.

The industrial sector experiencing the most significant downturn in both profits and receipts from Tax Years 2006 to 2007 was the real estate and rental and leasing sector. After reporting the largest percentage decline in profits in 2006 at 18.5 percent, the real estate and rental and leasing sector continued this trend by reporting a 17.7-percent drop in profits for 2007. Likewise, this sector reported the biggest decrease in business receipts for both 2006 and 2007, with declines of 6.9 percent and 8.0 percent, respectively.

### Data Sources and Limitations

The 2007 sole proprietorship estimates are based on a stratified probability sample of unaudited individual income tax returns, Form 1040 (including electronically filed returns), processed by the Internal Revenue Service during Calendar Year 2008. Returns in the sample were stratified based on: (1) the presence or absence of Schedule C, *Profit or Loss From Business (Sole Proprietorship)*, or Schedule C-EZ, *Net Profit From Business*, and Schedule F, *Farm Income and Expenses*; (2) the larger of positive income or negative income (i.e., adjusted gross income before statutory adjustments); and (3) tax year.

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Returns were selected at rates that ranged from 0.1 percent to 100 percent. The 2007 nonfarm sole proprietorship data are based on a sample of 90,983 returns and a population of 23,516,241 returns.<sup>12</sup> The corresponding sample and population for 2006 data were 88,619 and 22,407,707, respectively.

Since the data in this article are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data estimates provided, the magnitude of the potential sampling error

must be known. Coefficients of variation (CVs) are used to measure that magnitude. Figure L presents estimated CVs for the number of returns and money amounts for selected items and industrial sectors. Generally, the smaller the CV, the more reliable the estimate is judged to be. SOI Sampling Methodology and Data Limitation in this issue of the *Bulletin* discusses the reliability of estimates based on samples, and the use of CVs for evaluating the precision of estimates based on samples.

**Figure L**

## Nonfarm Sole Proprietorships: Coefficients of Variation for Selected Items, by Selected Industrial Sectors, Tax Year 2007

[Coefficients of variation are in percentages]

Industrial sector	Coefficients of variation				
	Total business receipts	Total business deductions	Depreciation [1]	Net income	Deficit
	(1)	(2)	(3)	(4)	(5)
<b>All nonfarm industries</b>	<b>0.53</b>	<b>0.60</b>	<b>1.21</b>	<b>0.75</b>	<b>1.33</b>
Construction	1.88	1.98	3.37	2.24	4.78
Specialty trade contractors	2.23	2.37	3.94	2.53	6.21
Wholesale trade (merchant wholesalers)	4.44	4.55	9.30	6.54	10.68
Retail trade	2.04	2.03	4.01	3.45	3.69
Transportation and warehousing	2.59	2.66	3.99	3.46	6.01
Finance and insurance	1.90	1.75	7.39	3.83	5.84
Real estate and rental and leasing	2.57	2.81	4.68	3.15	4.30
Real estate	2.63	2.91	4.95	3.21	4.57
Professional, scientific, and technical services	1.69	1.96	3.55	1.96	3.99
Administrative and support and waste management and remediation services	2.88	3.34	5.44	2.85	5.84
Health care and social assistance	1.86	2.01	3.96	2.23	7.63
Child day care services	4.53	5.84	14.17	4.30	13.68
Arts, entertainment, and recreation	3.20	3.15	5.28	4.43	5.09
Performing arts, spectator sports, and related industries	3.65	3.59	6.26	4.76	5.84
Other services	2.55	2.82	4.50	2.82	5.29
Personal and laundry services	3.05	3.39	6.11	3.52	6.91
All other industries	2.10	2.16	3.19	2.83	3.32

[1] Excludes depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*.

<sup>12</sup> The difference between the number of returns in the population and the total number of returns in Tables 1 and 2 is mainly due to returns in which Schedule C income was moved to other income or wages to avoid double counting of taxpayers for Gross Domestic Product calculations. In addition, data from amended returns and tentative returns are not reflected in these statistics.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All nonfarm industries</b>	<b>23,122,698</b>	<b>1,324,403,080</b>	<b>41,085,109</b>	<b>9,526,481</b>	<b>33,613,237</b>	<b>15,017,165</b>	<b>113,894,900</b>	<b>280,557,010</b>
<b>Agriculture, forestry, hunting, and fishing</b>	<b>301,280</b>	<b>17,747,925</b>	<b>1,662,460</b>	<b>127,994</b>	<b>213,486</b>	<b>315,084</b>	<b>1,726,477</b>	<b>668,372</b>
Animal production (including breeding of cats and dogs)	53,941	1,766,020	270,803	5,606	13,411	26,253	57,392	-547,398
Forestry and logging (including forest nurseries, timber tracts)	51,332	5,208,334	566,723	51,690	18,634	100,394	514,050	303,534
Fishing	63,216	2,334,905	287,494	24,762	29,888	47,527	58,929	409,418
Hunting and trapping	10,480	380,277	47,407	* 400	19,428	13,913	43,509	20,558
Support activities for agriculture and forestry	122,312	8,058,389	490,033	45,536	132,124	126,997	1,052,598	482,260
<b>Mining</b>	<b>126,578</b>	<b>12,534,266</b>	<b>932,584</b>	<b>39,597</b>	<b>46,426</b>	<b>191,470</b>	<b>621,265</b>	<b>1,624,615</b>
Oil and gas extraction	104,284	9,632,432	693,784	16,421	34,410	133,658	294,329	1,119,626
Coal mining	408	71,712	* 2,431	* 178	* 52	* 1,420	* 22,837	5,079
Metal ore mining	* 1,028	* 1,432	* 465	* 6	* 64	0	* 853	* -3,125
Nonmetallic mineral mining and quarrying	3,487	920,554	89,650	12,879	* 1,377	36,448	98,463	59,401
Support activities for mining	17,371	1,908,136	146,254	10,113	10,522	19,944	204,784	443,634
<b>Utilities</b>	<b>10,131</b>	<b>565,214</b>	<b>43,026</b>	<b>3,422</b>	<b>* 1,251</b>	<b>* 2,898</b>	<b>* 48,030</b>	<b>39,999</b>
<b>Construction</b>	<b>2,931,110</b>	<b>230,835,068</b>	<b>7,405,931</b>	<b>1,430,225</b>	<b>1,605,321</b>	<b>2,229,835</b>	<b>28,245,886</b>	<b>35,667,000</b>
Residential building construction	423,433	50,209,133	1,031,201	204,865	227,167	638,433	5,314,015	5,823,813
Nonresidential building construction	83,005	10,828,766	259,869	103,428	63,135	122,482	1,299,384	1,160,688
Heavy and civil engineering construction	77,303	10,069,553	551,879	82,850	43,512	311,450	778,191	827,809
Specialty trade contractors	2,347,369	159,727,616	5,562,981	1,039,082	1,271,506	1,157,471	20,854,295	27,854,691
<b>Manufacturing</b>	<b>362,390</b>	<b>29,248,316</b>	<b>1,213,735</b>	<b>168,357</b>	<b>961,775</b>	<b>382,243</b>	<b>3,647,550</b>	<b>3,031,757</b>
Food manufacturing	44,984	3,864,513	112,566	25,687	85,316	55,148	363,340	73,829
Textile and textile product mills	7,690	407,370	15,916	* 3,174	15,815	* 3,562	* 70,389	-15,707
Apparel	28,809	1,287,983	39,265	4,904	63,083	4,700	189,457	86,798
Leather and allied products	* 3,084	* 46,456	* 445	0	* 21	* 9	* 5,067	* 13,944
Wood products	35,852	2,692,662	148,899	25,703	48,184	37,072	355,833	269,548
Paper products	* 1,060	* 47,083	* 611	* 518	* 341	* 1,089	* 4,460	* -3,163
Printing and related support activities	34,903	2,704,692	114,102	16,086	154,754	49,923	323,061	321,191
Petroleum and coal products	390	38,627	* 3,153	0	* 2	* 2,407	* 2,142	-1,296
Chemical manufacturing	8,802	591,406	19,820	2,354	11,265	16,397	103,303	51,638
Plastics, rubber, clay, refractory, and glass products	15,217	781,386	11,072	* 3,215	52,301	7,264	76,914	104,589
Nonmetallic mineral products	4,392	769,424	37,771	* 2,944	* 9,697	7,410	106,278	66,711
Primary metal industries	5,141	642,314	48,738	* 749	* 29,924	* 12,840	* 115,022	133,096
Fabricated metal products	28,120	4,070,630	204,476	26,072	148,710	45,089	616,886	481,095
Machinery	24,113	3,299,982	223,568	6,415	95,576	44,372	368,142	506,170
Computer and electronic products	9,846	165,642	9,878	0	* 3,430	* 612	* 5,105	4,338
Electrical equipment, appliances, and components	7,097	633,672	4,399	* 6,536	9,013	3,491	72,354	74,534
Transportation equipment	8,630	952,524	18,165	* 15,357	45,949	18,982	183,614	4,100
Furniture and related products	22,074	2,028,453	62,683	8,524	81,827	20,372	233,490	374,546
Medical equipment and supplies	11,759	885,652	13,471	* 1,245	18,383	8,148	34,415	140,275
Other miscellaneous manufacturing	60,426	3,337,846	124,736	18,873	88,185	43,355	418,278	345,524
<b>Wholesale trade (merchant wholesalers)</b>	<b>340,373</b>	<b>50,447,175</b>	<b>619,130</b>	<b>180,906</b>	<b>721,017</b>	<b>424,760</b>	<b>1,838,745</b>	<b>4,815,862</b>
Durable goods, including machinery, wood, metals, etc.	153,562	22,090,048	348,161	122,407	378,813	211,444	949,175	1,966,219
Nondurable goods, including food, fiber, chemicals, etc.	114,362	21,346,578	221,361	38,791	245,195	181,620	678,117	1,608,303
Wholesale electronic markets and agents and brokers	72,449	7,010,549	49,608	19,709	97,010	31,695	211,453	1,241,340

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Retail trade</b>	<b>2,436,291</b>	<b>198,881,138</b>	<b>2,781,246</b>	<b>687,456</b>	<b>6,140,304</b>	<b>2,117,264</b>	<b>11,336,292</b>	<b>9,493,005</b>
Motor vehicle and parts dealers	145,975	41,039,684	371,653	36,270	564,151	462,911	1,781,794	1,142,983
Furniture and home furnishing stores	48,991	5,179,294	63,989	32,369	318,225	72,841	431,513	292,420
Electronic and appliance stores	35,679	4,053,726	90,996	20,273	149,007	62,281	408,172	160,183
Building material and garden equipment and supplies dealers	51,802	8,805,474	187,740	28,685	102,268	147,466	854,033	663,491
Food and beverage stores	82,127	26,901,682	242,563	106,478	780,588	209,733	1,789,644	833,826
Health and personal care stores	145,056	8,884,316	107,100	78,512	273,327	75,292	535,297	715,129
Gasoline stations	18,245	25,622,478	186,311	36,983	300,219	199,481	1,101,956	183,671
Clothing and accessories stores	140,659	10,622,326	160,874	85,110	919,302	115,986	717,193	488,313
Sporting goods, hobby, book, and music stores	110,577	7,325,799	142,166	8,302	399,846	82,060	436,105	48,541
General merchandise stores	28,886	2,969,973	73,156	20,644	152,046	45,245	167,108	53,049
Miscellaneous store retailers	570,299	33,568,539	574,216	167,279	1,741,870	436,145	2,312,494	2,867,432
Nonstore retailers	1,057,997	23,907,848	580,481	66,551	439,455	207,823	800,983	2,043,966
<b>Transportation and warehousing</b>	<b>1,154,819</b>	<b>82,138,420</b>	<b>5,767,718</b>	<b>2,211,303</b>	<b>539,256</b>	<b>1,211,633</b>	<b>5,210,337</b>	<b>10,963,923</b>
Air and rail transportation	12,672	1,654,862	374,397	13,005	23,055	109,656	64,926	-102,235
Water transportation	6,840	541,453	98,796	* 2,948	11,741	24,791	33,741	131,405
General freight trucking, local	241,130	20,571,116	1,575,578	383,866	107,866	315,549	1,809,311	2,731,105
General freight trucking, long distance and specialized freight trucking	401,096	42,181,814	3,000,386	1,063,719	174,809	558,448	2,198,411	4,655,023
Urban transit	0	0	0	0	0	0	0	0
Interurban and rural bus transportation	6,933	46,014	* 3,053	0	0	* 9	* 161	19,131
Taxi and limousine service	165,333	4,995,671	166,756	554,426	75,891	72,160	171,307	1,293,614
School, employee, and charter bus industry	19,583	884,658	56,254	* 23,293	3,715	33,676	64,580	197,161
Other transit and ground passenger transportation	22,932	522,454	22,935	* 610	* 4,513	* 5,144	* 53,621	50,994
Pipeline transportation	* 658	* 75,754	* 23,006	0	0	* 1,181	* 228	* -19,872
Scenic and sightseeing transportation	11,945	290,148	66,858	* 7,376	16,768	10,122	13,043	-28,030
Support activities for transportation (including motor vehicle towing)	50,663	3,469,136	254,133	68,963	51,881	44,965	385,650	411,338
Couriers and messengers	211,571	6,492,314	105,803	87,947	27,044	15,771	380,019	1,559,154
Warehousing and storage facilities	3,464	413,027	19,763	5,151	41,975	20,163	35,340	65,136
<b>Information</b>	<b>351,710</b>	<b>10,208,162</b>	<b>391,134</b>	<b>114,680</b>	<b>260,729</b>	<b>95,930</b>	<b>678,387</b>	<b>2,562,634</b>
Publishing industries (except Internet)	74,591	2,191,455	36,955	7,277	52,075	19,526	248,215	521,802
Motion picture and sound recording	107,185	3,124,813	231,978	39,651	96,848	37,262	156,812	648,122
Broadcasting (except Internet) and telecommunications	43,023	2,184,904	63,208	47,505	58,871	27,720	157,168	377,497
Internet publishing and broadcasting	9,242	238,069	6,846	* 629	20,649	* 682	* 22,286	20,248
Internet service providers, Web search portals, and data processing	117,669	2,468,921	52,148	19,618	32,285	10,740	93,906	994,965
<b>Finance and insurance</b>	<b>726,002</b>	<b>93,984,377</b>	<b>996,691</b>	<b>252,981</b>	<b>1,459,668</b>	<b>757,552</b>	<b>4,724,618</b>	<b>20,173,777</b>
Credit intermediation and related activities	102,497	4,910,013	138,877	40,286	122,407	84,112	378,278	1,054,445
Securities, commodity contracts, and other financial investments	181,676	58,505,410	278,246	82,269	452,478	418,220	1,747,955	6,995,452
Investment bankers and securities dealers	5,320	2,089,698	7,009	4,383	22,260	20,399	43,438	364,208
Securities brokers	16,657	4,050,726	25,755	18,431	40,495	21,140	162,705	857,082
Commodity contracts brokers and dealers	4,709	793,477	7,092	2,715	27,667	7,729	86,105	14,460
Securities and commodity exchanges	1,409	688,440	933	0	* 430	29,879	* 2,579	-57,276
Other financial investment activities (investment advice)	153,579	50,883,069	237,457	56,741	361,625	339,072	1,453,127	5,816,977
Insurance agents, brokers, and related activities	441,829	30,568,954	579,567	130,426	884,783	255,220	2,598,385	12,123,880
Insurance agencies and brokerages	328,276	26,335,688	497,399	114,645	820,280	211,590	2,440,604	10,314,637
Other insurance-related activities	113,553	4,233,266	82,169	15,781	64,503	43,630	157,781	1,809,243

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Real estate and rental and leasing</b>	<b>1,393,424</b>	<b>70,954,832</b>	<b>2,862,096</b>	<b>516,272</b>	<b>1,250,986</b>	<b>1,692,992</b>	<b>2,388,076</b>	<b>22,335,602</b>
Real estate	1,336,767	66,927,293	1,805,994	460,539	1,149,118	1,487,742	2,019,008	22,158,626
Lessors of real estate (including miniwarehouses and self storage)	39,944	1,341,797	183,204	9,692	14,080	363,623	62,989	-127,456
Offices of real estate agents, brokers, property managers, and appraisers	1,056,026	49,007,711	1,193,908	389,439	877,832	614,867	1,291,147	19,671,820
Other activities related to real estate	240,797	16,577,785	428,882	61,408	257,206	509,252	664,872	2,614,262
Rental and leasing services	56,656	4,027,538	1,056,102	55,732	101,868	205,250	369,068	176,975
Automotive equipment rental and leasing	17,698	652,711	220,005	3,796	11,467	36,100	23,115	26,582
Consumer electronics and appliances rental	* 10	* 12,259	* 6,849	* 5	* 70	* 1,794	* 1,366	* -2,023
Formal wear and costume rental	* 79	* 47,509	* 2,221	0	* 3,900	* 268	* 8,554	* 2,474
Videotape and disc rental	3,538	544,107	* 16,806	* 426	42,205	* 7,084	* 75,522	52,956
General rental centers and other consumer goods rental	15,820	959,760	164,767	12,873	28,799	24,445	126,814	84,761
Commercial and industrial machinery and equipment rental and leasing	19,512	1,811,193	645,454	38,631	15,426	135,560	133,697	12,225
<b>Professional, scientific, and technical services</b>	<b>3,234,542</b>	<b>169,272,699</b>	<b>4,301,618</b>	<b>916,230</b>	<b>3,929,938</b>	<b>1,137,409</b>	<b>12,758,206</b>	<b>71,608,966</b>
Legal services	363,321	38,716,955	501,614	214,968	1,734,106	255,263	4,253,225	16,676,401
Offices of certified public accountants	46,084	4,203,407	80,506	34,806	169,264	53,004	630,407	1,841,417
Other accounting services	330,229	8,210,291	238,345	51,089	260,422	109,697	842,598	3,117,258
Architectural, engineering, and related services	275,602	16,193,715	557,303	80,045	248,713	86,955	1,919,886	5,682,629
Architectural services	99,885	7,741,906	255,464	44,213	149,745	42,606	1,150,884	1,924,217
Engineering services	97,556	5,798,047	190,579	29,664	68,782	29,972	545,117	2,467,909
Drafting, building inspections, and geophysical surveying	60,757	1,696,841	70,426	1,703	* 13,918	9,175	74,195	899,800
Surveying and mapping (except geophysical) services	13,342	767,444	35,188	* 4,458	12,656	3,312	126,125	331,877
Testing laboratories	4,062	189,477	* 5,646	* 7	* 3,611	* 1,889	* 23,565	58,826
Specialized design services	241,885	9,336,822	240,449	39,045	193,636	74,628	459,496	2,112,466
Computer systems design services	254,014	9,986,914	281,266	70,500	117,678	49,033	662,278	4,424,493
Other professional, scientific, and technical services	1,723,407	82,624,594	2,402,135	425,776	1,206,119	508,829	3,990,315	37,754,303
Management, scientific, and technical consulting services	951,886	46,147,399	1,122,019	224,038	503,884	262,494	1,487,592	25,573,080
Scientific research and development services	34,241	1,952,860	76,001	7,204	34,015	20,803	155,479	580,242
Advertising and related services	120,617	7,163,497	183,550	33,691	102,311	31,200	261,565	2,039,822
Market research and public opinion polling	38,676	1,133,673	15,502	3,784	17,971	* 4,938	51,557	404,539
Other miscellaneous services	577,987	26,227,165	1,005,062	157,060	547,939	189,395	2,034,122	9,156,620
<b>Administrative and support and waste management and remediation services</b>	<b>2,251,002</b>	<b>60,343,203</b>	<b>2,510,007</b>	<b>574,509</b>	<b>735,747</b>	<b>536,144</b>	<b>6,782,100</b>	<b>16,485,611</b>
Administrative and support services	2,224,802	58,044,464	2,279,068	551,101	711,980	496,152	6,605,914	16,239,510
Waste management and remediation services	26,200	2,298,739	230,939	23,408	23,767	39,992	176,186	246,101
<b>Educational services</b>	<b>596,859</b>	<b>9,074,803</b>	<b>257,360</b>	<b>61,148</b>	<b>495,539</b>	<b>70,348</b>	<b>381,509</b>	<b>2,879,254</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Health care and social assistance</b>	<b>2,016,418</b>	<b>115,531,863</b>	<b>2,854,845</b>	<b>618,363</b>	<b>4,996,625</b>	<b>1,291,848</b>	<b>16,543,623</b>	<b>46,056,668</b>
Ambulatory health care services	997,226	95,393,542	2,214,124	524,328	4,459,344	866,957	14,193,024	39,676,719
Offices of physicians (except mental health specialists)	194,531	33,463,588	618,214	201,483	1,359,942	199,914	4,374,658	15,722,884
Offices of physicians, mental health specialists	31,439	2,981,198	48,205	19,528	180,032	19,771	163,007	1,772,180
Offices of dentists	93,114	29,798,435	950,066	113,182	1,160,022	377,224	6,484,255	10,300,714
Offices of chiropractors	37,789	4,655,464	108,285	41,793	420,194	71,635	520,633	1,728,493
Offices of optometrists	18,985	3,345,930	80,990	33,716	179,463	24,780	563,241	921,544
Offices of mental health practitioners and social therapists	174,713	8,392,904	146,918	30,720	593,835	23,958	585,816	4,482,638
Offices of podiatrists	6,388	1,006,518	16,668	3,518	123,725	9,052	125,890	326,184
Outpatient care centers and other miscellaneous health practitioners	156,836	5,023,852	130,086	30,138	259,546	50,000	300,066	2,149,463
Medical and diagnostic laboratories	31,782	1,462,086	43,149	7,190	63,671	17,374	209,568	404,558
Home health care services	224,827	4,238,804	55,258	33,194	92,636	66,102	716,584	1,535,676
Other ambulatory health care services (including ambulance services, blood and organ banks)	26,822	1,024,763	16,285	9,866	26,279	7,146	149,307	332,386
Hospitals	8,834	469,307	5,567	* 1,601	* 5,585	* 1,759	* 69,898	253,826
Nursing and residential care facilities	57,491	4,127,048	153,476	21,373	190,345	209,900	1,085,036	371,110
Social assistance	154,984	3,082,088	67,590	18,262	120,899	25,149	273,805	1,171,489
Child day care services	797,883	12,459,877	414,088	52,799	220,452	188,083	921,860	4,583,523
<b>Arts, entertainment, and recreation</b>	<b>1,283,267</b>	<b>31,043,663</b>	<b>1,588,587</b>	<b>224,842</b>	<b>1,139,292</b>	<b>331,542</b>	<b>1,609,655</b>	<b>7,562,358</b>
Performing arts, spectator sports, and related industries	1,068,030	23,926,664	1,231,566	132,997	580,819	183,732	876,827	7,340,857
Museums, historical sites, and similar institutions	3,401	29,469	* 282	* 143	* 225	* 167	* 234	23,171
Amusement, gambling, and recreation industries	211,836	7,087,530	356,739	91,702	558,248	147,644	732,593	198,330
<b>Accommodation, food services, and drinking places</b>	<b>411,451</b>	<b>47,792,244</b>	<b>1,813,463</b>	<b>408,024</b>	<b>3,258,012</b>	<b>1,150,463</b>	<b>8,035,918</b>	<b>1,239,437</b>
Accommodation	50,553	5,516,079	598,140	17,076	155,042	617,328	789,234	-52,004
Travel accommodation (including hotels, motels, and bed and breakfast inns)	30,966	4,503,414	505,662	13,378	146,340	502,683	686,247	-36,987
RV (recreational vehicle) parks and recreational camps	10,702	500,436	45,992	1,364	6,229	48,294	34,995	6,860
Rooming and boarding houses	8,885	512,229	46,486	* 2,334	* 2,474	66,351	67,992	-21,877
Food services and drinking places	360,898	42,276,165	1,215,323	390,948	3,102,969	533,135	7,246,684	1,291,441
<b>Other services</b>	<b>2,416,229</b>	<b>84,794,547</b>	<b>2,892,189</b>	<b>922,868</b>	<b>5,758,461</b>	<b>1,012,666</b>	<b>7,142,197</b>	<b>19,243,943</b>
Auto repair and maintenance	396,524	24,233,685	989,561	229,664	905,917	395,938	2,591,723	2,953,965
Automotive mechanical and electrical repair and maintenance	201,736	11,649,833	450,056	75,341	389,114	183,876	1,097,619	1,445,041
Automotive body shops	94,635	7,575,242	255,628	97,920	286,129	85,167	964,249	994,323
Other auto repair and maintenance (including oil change, lubrication, and car washes)	100,154	5,008,610	283,877	56,403	230,675	126,895	529,855	514,601
Miscellaneous repairs	436,413	16,990,817	613,349	99,824	370,432	213,203	1,242,831	3,545,184
Personal and laundry services	1,583,292	43,570,044	1,289,279	593,380	4,482,112	403,525	3,307,644	12,744,795
<b>Religious, grantmaking, civic, professional and similar organizations</b>	<b>251,516</b>	<b>3,521,657</b>	<b>51,295</b>	<b>8,975</b>	<b>19,248</b>	<b>11,575</b>	<b>25,500</b>	<b>1,752,897</b>
<b>Unclassified establishments</b>	<b>527,305</b>	<b>5,483,508</b>	<b>139,996</b>	<b>58,330</b>	<b>80,157</b>	<b>53,508</b>	<b>150,530</b>	<b>2,351,330</b>

Footnotes at end of table.



# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All nonfarm industries</b>	<b>16,928,788</b>	<b>1,108,966,537</b>	<b>27,041,714</b>	<b>7,211,095</b>	<b>25,186,283</b>	<b>8,405,107</b>	<b>91,674,116</b>	<b>335,098,968</b>
<b>Agriculture, forestry, hunting, and fishing</b>	<b>166,008</b>	<b>13,760,063</b>	<b>866,618</b>	<b>102,737</b>	<b>86,920</b>	<b>167,968</b>	<b>1,460,361</b>	<b>2,633,207</b>
Animal production (including breeding of cats and dogs)	16,462	1,125,624	81,322	* 4,144	6,650	11,207	35,521	181,712
Forestry and logging (including forest nurseries, timber tracts)	31,497	4,225,932	371,471	47,166	14,024	57,294	414,246	583,592
Fishing	37,832	1,955,315	134,381	17,879	19,550	21,972	52,898	717,764
Hunting and trapping	4,846	238,520	* 13,250	* 3	* 17,484	* 1,963	* 40,259	60,262
Support activities for agriculture and forestry	75,371	6,214,672	266,194	33,545	29,212	75,533	917,437	1,089,877
<b>Mining</b>	<b>95,112</b>	<b>9,895,176</b>	<b>613,709</b>	<b>22,442</b>	<b>33,414</b>	<b>97,849</b>	<b>466,770</b>	<b>2,811,035</b>
Oil and gas extraction	78,895	7,545,881	445,536	14,436	24,558	67,347	228,722	2,216,323
Coal mining	* 261	* 62,270	* 1,716	* 178	* 52	* 220	* 22,837	* 5,864
Metal ore mining	0	0	0	0	0	0	0	0
Nonmetallic mineral mining and quarrying	2,130	777,948	66,633	* 2,270	* 940	17,933	76,137	97,838
Support activities for mining	13,826	1,509,078	99,824	5,558	7,865	12,349	139,075	491,010
<b>Utilities</b>	<b>8,067</b>	<b>406,924</b>	<b>16,192</b>	<b>* 2,316</b>	<b>* 105</b>	<b>* 443</b>	<b>* 9,996</b>	<b>100,720</b>
<b>Construction</b>	<b>2,434,150</b>	<b>200,697,261</b>	<b>5,698,904</b>	<b>1,111,543</b>	<b>1,211,961</b>	<b>1,314,530</b>	<b>23,877,310</b>	<b>41,318,313</b>
Residential building construction	353,370	41,215,012	813,282	130,280	171,112	305,629	4,380,461	7,219,827
Nonresidential building construction	68,416	9,120,021	197,636	55,383	37,623	82,951	1,137,004	1,428,246
Heavy and civil engineering construction	53,045	7,152,437	366,925	67,420	26,525	113,541	501,475	1,516,443
Specialty trade contractors	1,959,319	143,209,791	4,321,061	858,460	976,700	812,409	17,858,370	31,153,797
<b>Manufacturing</b>	<b>217,718</b>	<b>23,656,129</b>	<b>789,877</b>	<b>127,619</b>	<b>665,372</b>	<b>240,066</b>	<b>2,770,941</b>	<b>4,461,145</b>
Food manufacturing	27,381	3,153,371	58,231	12,323	61,389	27,781	249,601	344,521
Textile and textile product mills	5,050	352,856	* 13,373	* 2,508	* 11,138	* 2,879	* 55,082	45,094
Apparel	16,445	1,071,138	15,937	* 4,878	49,121	* 4,522	186,791	222,020
Leather and allied products	* 3,001	* 20,120	* 81	0	0	0	0	* 18,916
Wood products	22,680	2,373,021	105,154	21,403	38,423	19,580	322,228	356,670
Paper products	* 55	* 2,565	0	0	0	0	0	* 2,538
Printing and related support activities	22,192	2,047,637	75,479	15,333	112,212	31,441	247,982	440,485
Petroleum and coal products	349	16,857	* 166	0	0	* 66	* 50	2,612
Chemical manufacturing	4,420	392,804	10,991	* 1,460	* 5,971	* 8,535	63,938	93,378
Plastics, rubber, clay, refractory, and glass products	8,402	544,246	6,571	* 3,208	* 33,722	* 4,417	* 43,424	137,825
Nonmetallic mineral products	3,328	694,533	22,298	* 2,747	* 4,484	4,324	* 92,231	102,711
Primary metal industries	3,849	641,736	* 48,142	* 749	* 29,780	* 12,840	* 115,022	136,912
Fabricated metal products	20,513	3,188,039	105,350	18,493	90,801	23,815	379,382	599,544
Machinery	18,467	2,832,280	163,244	5,961	54,983	38,294	339,853	537,083
Computer and electronic products	3,768	155,431	* 2,161	0	* 3,295	* 78	* 4,165	49,378
Electrical equipment, appliances, and components	5,491	418,018	2,726	* 1,192	* 6,814	* 2,946	* 29,419	99,764
Transportation equipment	3,603	864,534	11,463	* 15,353	29,812	* 16,779	157,927	98,655
Furniture and related products	15,754	1,788,714	56,557	8,507	73,380	14,496	186,913	421,499
Medical equipment and supplies	6,889	577,383	10,211	* 973	* 14,694	* 763	* 7,297	188,539
Other miscellaneous manufacturing	26,080	2,520,847	81,742	12,530	45,353	26,509	289,635	563,000
<b>Wholesale trade (merchant wholesalers)</b>	<b>225,451</b>	<b>43,189,528</b>	<b>460,486</b>	<b>149,952</b>	<b>567,335</b>	<b>247,733</b>	<b>1,416,214</b>	<b>6,009,042</b>
Durable goods, including machinery, wood, metals, etc.	95,727	19,034,920	256,951	100,322	297,654	95,608	739,791	2,492,538
Nondurable goods, including food, fiber, chemicals, etc.	79,854	18,250,589	168,936	34,497	189,187	135,758	527,211	2,094,787
Wholesale electronic markets and agents and brokers	49,870	5,904,019	34,599	15,133	80,494	16,367	149,212	1,421,717

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Retail trade</b>	<b>1,267,199</b>	<b>155,918,883</b>	<b>1,602,453</b>	<b>426,059</b>	<b>4,100,576</b>	<b>1,198,070</b>	<b>8,209,539</b>	<b>17,883,396</b>
Motor vehicle and parts dealers	99,584	31,179,343	217,359	21,760	379,878	268,025	1,176,757	1,998,862
Furniture and home furnishing stores	30,445	3,785,404	36,996	16,313	179,745	54,545	324,841	525,237
Electronic and appliance stores	21,685	3,172,697	60,473	10,876	75,644	43,570	305,042	360,288
Building material and garden equipment and supplies dealers	33,506	7,425,178	132,886	22,113	82,775	110,206	678,571	828,515
Food and beverage stores	57,960	22,600,203	149,636	100,135	618,658	129,887	1,358,307	1,326,676
Health and personal care stores	60,487	7,895,494	65,076	60,257	225,477	60,559	447,085	1,170,397
Gasoline stations	12,283	18,274,250	116,392	22,646	224,359	102,107	769,318	400,038
Clothing and accessories stores	78,459	8,458,131	75,607	40,167	640,584	64,899	513,197	1,122,003
Sporting goods, hobby, book, and music stores	45,880	4,839,994	61,135	2,155	200,354	30,165	240,788	577,132
General merchandise stores	16,748	2,473,905	25,070	18,456	120,464	26,386	118,769	263,673
Miscellaneous store retailers	322,913	26,519,335	338,988	65,567	1,051,980	218,073	1,629,445	4,691,208
Nonstore retailers	487,248	19,294,949	322,837	45,616	300,659	89,648	647,418	4,619,366
<b>Transportation and warehousing</b>	<b>931,017</b>	<b>67,266,486</b>	<b>3,669,485</b>	<b>1,759,229</b>	<b>408,006</b>	<b>731,878</b>	<b>3,791,015</b>	<b>13,663,909</b>
Air and rail transportation	8,987	1,059,025	27,028	2,159	8,451	10,107	21,456	333,653
Water transportation	5,140	426,465	42,399	* 2,849	* 180	* 5,355	* 13,192	211,584
General freight trucking, local	192,327	16,424,743	1,054,436	324,804	79,201	171,501	1,235,228	3,286,407
General freight trucking, long distance and specialized freight trucking	322,988	34,605,893	2,136,025	787,511	141,820	406,304	1,658,643	5,621,941
Urban transit	0	0	0	0	0	0	0	0
Interurban and rural bus transportation	* 4,963	* 40,273	* 2,244	0	0	* 9	* 161	* 22,773
Taxi and limousine service	146,455	4,524,955	114,915	499,909	63,440	62,935	107,869	1,427,655
School, employee, and charter bus industry	17,495	781,706	43,664	* 23,156	* 2,643	24,242	* 44,140	213,044
Other transit and ground passenger transportation	** 14,250	** 350,459	** 12,584	** 112	** 207	** 2,924	** 19,757	** 109,297
Pipeline transportation	**	**	**	**	**	**	**	**
Scenic and sightseeing transportation	5,760	141,416	* 9,224	* 31	* 6,721	* 2,463	* 93	46,401
Support activities for transportation (including motor vehicle towing)	38,244	2,643,274	139,831	38,609	43,942	28,792	297,760	557,750
Couriers and messengers	171,843	5,939,044	79,384	78,321	27,044	11,653	373,533	1,755,951
Warehousing and storage facilities	2,565	329,235	7,752	* 1,769	34,357	5,594	19,183	77,452
<b>Information</b>	<b>233,984</b>	<b>8,605,326</b>	<b>179,751</b>	<b>70,985</b>	<b>153,702</b>	<b>50,565</b>	<b>423,573</b>	<b>3,652,581</b>
Publishing industries (except Internet)	50,942	1,752,419	24,532	5,230	28,264	11,076	149,692	716,377
Motion picture and sound recording	60,910	2,590,179	100,530	19,019	64,983	20,033	109,384	1,164,090
Broadcasting (except Internet) and telecommunications	33,532	1,785,661	19,967	40,133	26,672	12,994	78,895	518,816
Internet publishing and broadcasting	4,161	201,167	2,533	* 105	* 11,260	* 657	* 12,283	73,592
Internet service providers, Web search portals, and data processing	84,439	2,275,899	32,189	* 6,498	22,524	5,804	73,319	1,179,707
<b>Finance and insurance</b>	<b>495,376</b>	<b>61,428,063</b>	<b>707,783</b>	<b>219,456</b>	<b>1,210,651</b>	<b>377,601</b>	<b>3,890,068</b>	<b>22,908,435</b>
Credit intermediation and related activities	66,452	4,261,253	70,368	28,892	68,747	44,992	262,523	1,469,086
Securities, commodity contracts, and other financial investments	106,244	29,496,099	170,430	69,877	362,409	149,404	1,234,858	8,539,428
Investment bankers and securities dealers	4,312	968,598	4,958	* 3,846	19,654	3,306	31,013	434,559
Securities brokers	10,750	2,505,716	9,481	15,178	28,933	14,607	131,196	953,823
Commodity contracts brokers and dealers	2,820	666,350	1,750	* 246	13,182	455	15,160	189,262
Securities and commodity exchanges	* 14	* 138,383	* 269	0	* 353	* 219	* 1,629	* 9,496
Other financial investment activities (investment advice)	88,348	25,217,051	153,971	50,607	300,287	130,817	1,055,860	6,952,289
Insurance agents, brokers, and related activities	322,680	27,670,711	466,986	120,687	779,495	183,206	2,392,688	12,899,922
Insurance agencies and brokerages	241,816	23,982,553	408,330	105,639	727,869	156,765	2,250,563	10,928,275
Other insurance—related activities	80,864	3,688,158	58,656	15,048	51,626	26,441	142,124	1,971,647

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Real estate and rental and leasing</b>	<b>908,375</b>	<b>60,188,057</b>	<b>1,480,061</b>	<b>383,751</b>	<b>835,897</b>	<b>582,249</b>	<b>1,804,064</b>	<b>27,320,942</b>
Real estate	877,660	57,261,965	1,059,093	356,781	779,817	511,899	1,505,241	26,636,164
Lessors of real estate (including miniwarehouses and self storage)	13,266	697,851	32,023	4,052	6,352	68,763	23,443	276,502
Offices of real estate agents, brokers, property managers, and appraisers	711,860	43,920,550	804,148	309,666	600,634	312,539	1,037,925	22,251,313
Other activities related to real estate	152,534	12,643,564	222,923	43,063	172,831	130,597	443,873	4,108,350
Rental and leasing services	30,716	2,926,092	420,968	26,970	56,080	70,350	298,823	684,778
Automotive equipment rental and leasing	** 10,201	** 434,917	** 100,300	** 1,273	** 275	** 21,985	** 19,685	** 101,075
Consumer electronics and appliances rental	**	**	**	**	**	**	**	**
Formal wear and costume rental	* 39	* 47,139	* 2,022	0	* 3,429	* 268	* 8,554	* 3,727
Videotape and disc rental	3,247	498,508	* 16,716	* 407	* 35,869	* 7,023	* 58,655	61,572
General rental centers and other consumer goods rental	7,882	741,074	57,846	10,354	8,932	8,238	* 109,860	187,528
Commercial and industrial machinery and equipment rental and leasing	9,347	1,204,454	244,083	14,936	7,576	32,837	102,068	330,875
<b>Professional, scientific, and technical services</b>	<b>2,407,350</b>	<b>156,237,690</b>	<b>3,212,163</b>	<b>722,102</b>	<b>3,182,973</b>	<b>771,576</b>	<b>10,825,849</b>	<b>77,705,157</b>
Legal services	268,297	36,949,264	429,814	195,839	1,576,078	205,051	3,920,040	17,450,194
Offices of certified public accountants	39,361	4,068,821	66,654	18,701	160,550	49,386	573,577	1,903,735
Other accounting services	268,693	7,516,589	190,978	28,412	200,814	87,343	737,727	3,445,846
Architectural, engineering, and related services	213,865	14,727,736	452,565	61,578	210,070	67,372	1,638,696	6,055,197
Architectural services	73,057	6,829,921	200,846	33,543	122,709	33,949	1,010,394	2,117,003
Engineering services	80,074	5,416,534	152,796	22,674	62,956	22,187	444,785	2,580,101
Drafting, building inspections, and geophysical surveying	47,243	1,622,533	61,239	1,023	* 13,918	7,303	* 66,194	955,172
Surveying and mapping (except geophysical) services	10,780	679,883	33,195	* 4,332	8,521	* 3,194	94,545	334,128
Testing laboratories	2,711	178,865	* 4,489	* 7	* 1,965	* 739	* 22,776	68,793
<b>Specialized design services</b>	<b>165,742</b>	<b>7,903,667</b>	<b>149,788</b>	<b>22,510</b>	<b>92,405</b>	<b>25,539</b>	<b>358,309</b>	<b>2,668,602</b>
Computer systems design services	191,706	9,211,240	212,070	63,261	78,717	29,161	466,991	4,780,921
Other professional, scientific, and technical services	1,259,685	75,860,373	1,710,294	331,800	864,340	307,724	3,130,508	41,400,665
Management, scientific, and technical consulting services	697,244	43,565,512	817,882	184,480	354,683	136,403	1,122,918	27,576,853
Scientific research and development services	26,842	1,412,635	35,191	7,002	22,413	* 707	66,215	775,250
Advertising and related services	90,271	6,739,828	134,245	28,999	85,585	27,056	236,820	2,276,899
Market research and public opinion polling	26,335	1,053,548	6,284	* 1,537	11,932	* 375	42,712	494,610
Other miscellaneous services	418,993	23,088,850	716,691	109,782	389,726	143,183	1,661,843	10,277,052
<b>Administrative and support and waste management and remediation services</b>	<b>1,787,855</b>	<b>52,763,362</b>	<b>1,752,019</b>	<b>409,781</b>	<b>585,247</b>	<b>305,984</b>	<b>5,466,780</b>	<b>19,554,621</b>
Administrative and support services	1,766,210	50,755,416	1,580,081	390,345	563,092	276,754	5,321,341	19,225,753
Waste management and remediation services	21,645	2,007,946	171,937	19,435	22,155	29,230	145,440	328,868
<b>Educational services</b>	<b>466,677</b>	<b>7,042,678</b>	<b>140,904</b>	<b>30,938</b>	<b>352,979</b>	<b>44,792</b>	<b>268,854</b>	<b>3,612,035</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial sector	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction [1,2]	Rent paid on machinery and equipment [1]	Rent paid on other business property [1]	Interest paid deduction [1,3]	Payroll [1,4]	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Health care and social assistance</b>	<b>1,677,379</b>	<b>107,695,993</b>	<b>2,262,347</b>	<b>528,516</b>	<b>4,399,618</b>	<b>939,407</b>	<b>14,893,884</b>	<b>48,286,449</b>
Ambulatory health care services	829,480	91,188,521	1,898,616	460,576	4,046,344	733,914	13,333,972	41,107,694
Offices of physicians (except mental health specialists)	160,313	31,988,061	515,444	174,059	1,274,790	168,478	4,052,871	16,239,483
Offices of physicians, mental health specialists	28,775	2,923,924	42,986	19,528	172,550	16,461	153,074	1,797,035
Offices of dentists	84,992	29,148,584	874,270	108,901	1,126,332	353,616	6,321,501	10,431,676
Offices of chiropractors	34,353	4,505,208	94,661	41,600	388,324	61,313	507,247	1,745,278
Offices of optometrists	17,661	3,234,129	69,016	32,704	167,600	24,528	542,131	924,445
Offices of mental health practitioners and social therapists	141,668	7,928,102	124,787	29,441	520,958	19,028	482,225	4,617,337
Offices of podiatrists	4,543	958,637	16,587	2,705	88,334	9,052	125,890	352,247
Outpatient care centers and other miscellaneous health practitioners	119,980	4,559,133	79,873	23,886	202,316	24,018	233,335	2,413,599
Medical and diagnostic laboratories	27,060	1,295,056	32,741	4,217	58,828	9,954	200,565	448,923
Home health care services	186,423	3,696,328	34,716	14,109	25,562	42,956	586,697	1,790,438
Other ambulatory health care services (including ambulance services, blood and organ banks)	23,712	951,359	13,536	9,425	20,750	4,509	128,438	347,232
Hospitals	8,831	466,059	* 3,937	* 1,601	* 5,580	* 1,759	* 69,301	255,650
Nursing and residential care facilities	46,231	2,650,615	85,315	14,121	90,382	76,552	655,447	501,734
Social assistance	117,669	2,762,097	44,219	16,361	107,113	18,561	219,037	1,306,503
Child day care services	675,168	10,628,701	230,259	35,857	150,199	108,620	616,126	5,114,868
<b>Arts, entertainment, and recreation</b>	<b>783,394</b>	<b>24,742,954</b>	<b>750,420</b>	<b>135,736</b>	<b>591,563</b>	<b>113,460</b>	<b>825,929</b>	<b>11,410,732</b>
Performing arts, spectator sports, and related industries	649,255	20,327,153	626,350	88,421	329,385	72,964	492,875	10,275,232
Museums, historical sites, and similar institutions	2,711	28,675	* 205	* 1	* 53	0	* 3	25,364
Amusement, gambling, and recreation industries	131,428	4,387,126	123,865	47,314	262,125	40,496	333,051	1,110,136
<b>Accommodation, food services, and drinking places</b>	<b>263,332</b>	<b>34,879,565</b>	<b>823,180</b>	<b>240,788</b>	<b>2,243,084</b>	<b>507,408</b>	<b>5,418,621</b>	<b>3,964,887</b>
Accommodation	27,192	3,121,187	185,574	8,181	73,379	232,796	354,122	611,072
Travel accommodation (including hotels, motels, and bed and breakfast inns)	16,211	2,539,278	156,454	5,136	66,559	193,062	301,885	485,658
RV (recreational vehicle) parks and recreational camps	7,657	277,078	10,888	* 1,241	* 4,600	* 15,700	27,109	59,658
Rooming and boarding houses	3,325	304,831	18,231	* 1,805	* 2,220	* 24,035	* 25,127	65,755
Food services and drinking places	236,140	31,758,378	637,607	232,606	2,169,704	274,612	5,064,499	3,353,816
<b>Other services</b>	<b>1,915,583</b>	<b>72,514,673</b>	<b>1,883,760</b>	<b>722,176</b>	<b>4,510,472</b>	<b>675,163</b>	<b>5,751,236</b>	<b>22,828,669</b>
Auto repair and maintenance	305,856	19,928,520	606,335	195,747	647,493	239,356	2,089,613	3,863,109
Automotive mechanical and electrical repair and maintenance	154,941	9,543,976	295,196	52,514	267,576	128,859	891,388	1,891,915
Automotive body shops	75,412	6,440,614	171,349	93,620	218,149	65,628	802,904	1,172,160
Other auto repair and maintenance (including oil change, lubrication, and car washes)	75,503	3,943,930	139,790	49,613	161,768	44,869	395,321	799,034
Miscellaneous repairs	334,471	14,826,271	467,964	85,555	243,813	158,103	1,103,270	4,147,093
Personal and laundry services	1,275,256	37,759,882	809,460	440,874	3,619,166	277,703	2,558,354	14,818,467
<b>Religious, grantmaking, civic, professional and similar organizations</b>	<b>201,412</b>	<b>3,292,324</b>	<b>34,159</b>	<b>* 3,732</b>	<b>8,608</b>	<b>* 8,597</b>	<b>* 23,717</b>	<b>2,072,527</b>
<b>Unclassified establishments</b>	<b>443,351</b>	<b>4,785,400</b>	<b>97,443</b>	<b>41,237</b>	<b>37,802</b>	<b>29,768</b>	<b>79,396</b>	<b>2,901,164</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\* Data combined to prevent disclosure of taxpayer information.

[1] Excludes amounts reported on Schedule C-EZ filed by certain small businesses not required to itemize their business deductions. Therefore, totals shown may be slightly understated.

[2] Includes depreciation claimed on Form 8829, *Expenses for Business Use of Your Home*.

[3] Interest paid is the sum of mortgage interest and other interest paid on business indebtedness.

[4] Payroll is the sum of salaries and wages plus the cost of labor reported as part of cost of sales and operations.

NOTE: Detail may not add to totals because of rounding.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	All nonfarm industries	Agriculture, forestry, hunting, and fishing						Mining
		Total	Animal production (including breeding of cats and dogs)	Forestry and logging (including forest nurseries, timber tracts)	Fishing	Hunting and trapping	Support activities for agriculture and forestry	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>23,122,698</b>	<b>301,280</b>	<b>53,941</b>	<b>51,332</b>	<b>63,216</b>	<b>10,480</b>	<b>122,312</b>	<b>126,578</b>
<b>Business receipts, total [1]</b>	<b>1,324,403,080</b>	<b>17,747,925</b>	<b>1,766,020</b>	<b>5,208,334</b>	<b>2,334,905</b>	<b>380,277</b>	<b>8,058,389</b>	<b>12,534,266</b>
Income from sales and operations [1]	1,303,976,701	17,405,779	1,683,919	5,145,938	2,248,280	373,160	7,954,482	11,996,371
Other business income	20,426,379	342,146	82,100	62,397	86,625	7,118	103,906	537,894
<b>Business deductions, total [1,2]</b>	<b>1,044,343,442</b>	<b>17,100,026</b>	<b>2,318,882</b>	<b>4,904,911</b>	<b>1,926,292</b>	<b>360,266</b>	<b>7,589,675</b>	<b>10,913,682</b>
Cost of sales and operations, total	422,684,549	5,660,622	745,829	1,443,401	338,159	126,261	3,006,972	2,788,714
Inventory, beginning of year	44,469,609	543,798	102,881	271,050	* 7,388	* 10,974	151,504	71,876
Cost of labor	34,514,589	341,752	26,863	123,087	* 45,689	* 18,818	127,296	214,754
Purchases	264,234,818	4,428,553	561,119	875,450	* 188,828	71,172	2,731,985	1,161,315
Materials and supplies	61,519,006	207,887	48,087	59,713	47,076	* 3,823	49,189	97,919
Other costs	64,956,668	563,263	96,320	259,159	61,271	* 34,731	111,783	1,315,366
Inventory, end of year	47,010,141	424,632	89,441	145,057	* 12,091	* 13,258	164,784	72,516
Advertising expenses	15,731,012	90,979	22,515	9,699	17,437	2,815	38,513	14,966
Car and truck expenses	82,023,756	967,185	128,799	263,772	124,767	8,828	441,018	327,274
Commissions	14,569,232	92,797	33,639	13,913	* 4,251	* 946	40,048	30,944
Contract labor	36,674,415	624,357	29,738	310,895	48,008	3,869	231,847	135,819
Depletion	1,021,072	87	* 1	* 11	0	* 36	* 39	873,111
Depreciation	39,645,972	1,651,315	264,644	565,566	285,152	47,407	488,546	931,200
Employee benefit programs	2,909,540	11,125	668	4,439	* 359	* 15	5,644	23,142
Insurance	19,290,556	416,028	39,450	165,584	52,283	7,104	151,606	142,881
Legal and professional services	10,934,377	129,634	31,698	20,592	20,430	4,262	52,651	102,745
Meals and entertainment deducted	7,661,490	51,218	5,504	10,292	15,429	1,010	18,983	29,331
Mortgage interest	6,648,973	105,559	11,877	21,376	17,874	* 4,774	49,657	34,778
Other interest paid on business indebtedness	8,368,192	209,525	14,376	79,018	29,653	* 9,139	77,340	156,692
Office expenses	13,297,287	51,863	8,950	12,209	5,676	823	24,205	46,140
Pension and profit-sharing plans	1,279,748	2,983	* 242	1,653	* 164	0	924	3,113
Rent paid on machinery and equipment	9,526,481	127,994	5,606	51,690	24,762	* 400	45,536	39,597
Rent paid on other business property	33,613,237	213,486	13,411	18,634	29,888	19,428	132,124	46,426
Repairs	16,170,712	747,409	37,588	353,903	115,249	20,039	220,631	205,423
Supplies	32,325,460	595,994	129,025	85,362	149,514	9,285	222,808	115,960
Salaries and wages	79,380,311	1,384,725	30,530	390,963	13,240	24,691	925,302	406,512
Taxes paid	18,183,185	337,412	15,866	86,689	46,846	9,191	178,819	295,731
Travel	13,134,026	141,345	31,546	12,340	39,422	2,301	55,737	53,196
Utilities	24,856,179	229,172	35,194	50,492	26,442	13,893	103,151	94,957
Other business deductions	119,516,105	3,150,505	651,228	920,331	499,039	41,904	1,038,003	3,973,760
Home office business deductions, total	11,217,628	78,411	30,325	6,178	15,457	0	26,451	16,170
Depreciation, Form 8829 [3]	1,439,137	11,145	6,159	1,157	2,342	0	1,487	1,383
Casualty loss, Form 8829 [3]	99,670	* 369	* 48	* 318	0	0	* 3	0
Excess—casualty depreciations, Form 8829 [3]	1,235,717	12,441	* 8,477	* 1,362	* 679	0	* 1,922	1,542
<b>Net income less deficit [1,2]</b>	<b>280,557,010</b>	<b>668,372</b>	<b>-547,398</b>	<b>303,534</b>	<b>409,418</b>	<b>20,558</b>	<b>482,260</b>	<b>1,624,615</b>
Net income [1,2]	335,098,968	2,633,207	181,712	583,592	717,764	60,262	1,089,877	2,811,035
Deficit [2]	-54,541,958	-1,964,834	-729,110	-280,058	-308,346	-39,704	-607,617	-1,186,420

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	All nonfarm industries	Agriculture, forestry, hunting, and fishing						Mining
		Total	Animal production (including breeding of cats and dogs)	Forestry and logging (including forest nurseries, timber tracts)	Fishing	Hunting and trapping	Support activities for agriculture and forestry	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns [1]	16,928,788	166,008	16,462	31,497	37,832	4,846	75,371	95,112
<b>Business receipts, total [1]</b>	<b>1,108,966,537</b>	<b>13,760,063</b>	<b>1,125,624</b>	<b>4,225,932</b>	<b>1,955,315</b>	<b>238,520</b>	<b>6,214,672</b>	<b>9,895,176</b>
Income from sales and operations [1]	1,094,000,523	13,549,270	1,075,927	4,186,075	1,874,770	238,053	6,174,445	9,487,699
Other business income	14,966,013	210,793	49,696	39,858	80,545	* 466	40,227	407,478
<b>Business deductions, total [1,2]</b>	<b>773,912,492</b>	<b>11,126,867</b>	<b>943,935</b>	<b>3,642,341</b>	<b>1,237,539</b>	<b>178,257</b>	<b>5,124,795</b>	<b>7,085,224</b>
Cost of sales and operations, total	319,391,585	4,287,367	434,082	1,236,964	268,685	* 68,178	2,279,457	1,976,056
Inventory, beginning of year	26,022,617	350,247	* 38,077	227,786	* 7,388	0	76,996	42,475
Cost of labor	28,691,090	323,074	* 24,323	116,282	* 42,951	* 18,818	120,700	191,942
Purchases	197,099,788	3,354,954	298,231	771,718	* 188,824	* 43,648	2,052,533	848,745
Materials and supplies	49,457,882	163,934	* 35,324	37,715	* 40,465	* 2,647	47,783	75,676
Other costs	45,911,851	340,050	66,864	191,235	* 1,088	* 3,065	77,798	857,228
Inventory, end of year	27,791,643	244,892	* 28,736	107,772	* 12,031	0	96,352	40,010
Advertising expenses	11,631,573	52,181	8,416	5,557	12,773	* 1,738	23,697	11,865
Car and truck expenses	61,245,094	578,730	54,587	183,055	67,897	* 3,196	269,994	280,854
Commissions	10,985,416	54,282	22,202	* 12,179	* 3,564	0	16,336	28,114
Contract labor	30,022,269	377,660	16,994	184,568	41,846	* 180	134,072	113,402
Depletion	772,119	* 36	0	0	0	* 1	* 34	661,919
Depreciation	26,068,072	863,777	80,961	371,105	132,724	* 13,250	265,736	612,662
Employee benefit programs	2,302,843	8,564	* 261	3,488	* 134	0	4,681	12,956
Insurance	14,947,353	286,516	18,857	122,192	28,928	* 1,500	115,038	110,549
Legal and professional services	7,792,043	62,518	6,154	9,851	14,042	* 2,608	29,863	60,606
Meals and entertainment deducted	6,050,928	30,825	2,385	6,914	10,950	* 319	10,257	24,826
Mortgage interest	3,493,736	57,503	* 7,892	16,405	* 3,368	* 1,932	27,905	22,975
Other interest paid on business indebtedness	4,911,372	110,465	3,314	40,888	18,604	* 30	47,628	74,875
Office expenses	10,282,730	29,751	2,749	8,632	3,764	* 491	14,116	33,172
Pension and profit-sharing plans	1,181,625	2,437	0	1,518	0	0	919	2,532
Rent paid on machinery and equipment	7,211,095	102,737	* 4,144	47,166	17,879	* 3	33,545	22,442
Rent paid on other business property	25,186,283	86,920	6,650	14,024	19,550	* 17,484	29,212	33,414
Repairs	11,481,853	448,034	14,289	239,714	62,732	* 6,306	124,994	158,694
Supplies	24,197,292	326,266	26,486	52,271	82,243	* 3,116	162,150	77,627
Salaries and wages	62,983,026	1,137,287	* 11,198	297,964	* 9,947	* 21,441	796,737	274,828
Taxes paid	13,684,297	219,432	6,290	54,112	28,837	* 7,032	123,160	212,765
Travel	9,736,826	73,634	4,235	9,803	25,766	* 517	33,313	36,054
Utilities	18,153,001	132,093	14,991	30,565	18,446	* 3,504	64,588	78,948
Other business deductions	78,209,792	1,732,854	189,724	684,184	347,894	* 23,615	487,437	2,124,124
Home office business deductions, total	8,392,388	39,784	* 6,659	3,741	11,329	0	18,056	13,917
Depreciation, Form 8829 [3]	973,642	2,841	* 360	365	* 1,657	0	459	1,047
Casualty loss, Form 8829 [3]	60,917	* 48	* 48	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	142,436	* 642	* 642	0	0	0	0	* 97
<b>Net income [1,2]</b>	<b>335,098,968</b>	<b>2,633,207</b>	<b>181,712</b>	<b>583,592</b>	<b>717,764</b>	<b>60,262</b>	<b>1,089,877</b>	<b>2,811,035</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	4,399,494	42,647	2,064	8,087	8,802	* 3,474	20,221	21,951
Business receipts	31,215,207	210,792	4,341	28,191	45,128	* 13,187	119,945	139,542
Business deductions	3,679,945	28,297	* 634	* 5,907	* 6,791	* 1,845	13,119	25,101
Net income	27,535,262	182,495	* 3,706	22,284	38,336	* 11,342	106,826	114,441

Footnotes at end of table.



# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Mining—continued					Utilities	Construction
	Oil and gas extraction	Coal mining	Metal ore mining	Nonmetallic mineral mining and quarrying	Support activities for mining	Total	Total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>104,284</b>	<b>408</b>	<b>* 1,028</b>	<b>3,487</b>	<b>17,371</b>	<b>10,131</b>	<b>2,931,110</b>
<b>Business receipts, total [1]</b>	<b>9,632,432</b>	<b>71,712</b>	<b>* 1,432</b>	<b>920,554</b>	<b>1,908,136</b>	<b>565,214</b>	<b>230,835,068</b>
Income from sales and operations [1]	9,178,734	71,402	* 1,432	919,044	1,825,759	563,140	229,219,635
Other business income	453,698	* 310	0	1,510	82,377	2,075	1,615,433
<b>Business deductions, total [1,2]</b>	<b>8,516,518</b>	<b>66,633</b>	<b>* 4,558</b>	<b>861,486</b>	<b>1,464,487</b>	<b>523,669</b>	<b>195,237,842</b>
Cost of sales and operations, total	1,805,302	* 4,370	* 763	458,961	519,317	222,384	99,315,888
Inventory, beginning of year	49,695	* 82	0	* 16,036	* 6,064	* 447	7,901,962
Cost of labor	138,803	0	* 489	59,366	* 16,096	* 33,033	17,647,456
Purchases	464,114	* 3,935	0	303,065	390,202	* 46,990	30,031,679
Materials and supplies	44,349	0	* 148	* 19,210	34,212	* 33,557	33,173,579
Other costs	1,154,557	* 430	* 127	76,472	83,780	* 109,734	19,335,209
Inventory, end of year	46,216	* 77	0	* 15,187	* 11,037	* 1,379	8,773,996
Advertising expenses	5,355	* 46	0	7,538	2,026	1,857	1,264,898
Car and truck expenses	168,215	* 219	* 611	22,086	136,143	39,667	15,584,086
Commissions	27,960	* 35	0	* 2,614	* 334	* 2,183	752,630
Contract labor	89,808	* 18	0	* 1,125	44,869	62,070	15,287,410
Depletion	852,693	* 961	* 130	17,708	1,619	* 3,371	60,823
Depreciation	692,659	* 2,431	* 465	89,594	146,051	42,091	7,264,279
Employee benefit programs	12,290	* 1,730	0	* 2,033	7,090	* 50	367,121
Insurance	75,443	* 4,411	* 137	16,859	46,031	13,103	4,366,712
Legal and professional services	89,416	716	* 9	3,095	9,508	3,264	1,069,848
Meals and entertainment deducted	15,404	* 4	* 5	805	13,114	2,520	697,176
Mortgage interest	22,654	* 67	0	* 8,274	* 3,783	* 333	971,130
Other interest paid on business indebtedness	111,003	* 1,354	0	28,174	16,161	* 2,564	1,258,704
Office expenses	33,310	* 279	* 15	4,183	8,353	2,978	1,203,860
Pension and profit-sharing plans	2,594	* 131	0	* 80	* 308	* 11	73,774
Rent paid on machinery and equipment	16,421	* 178	* 6	12,879	10,113	3,422	1,430,225
Rent paid on other business property	34,410	* 52	* 64	* 1,377	10,522	* 1,251	1,605,321
Repairs	123,203	* 3,700	* 48	35,415	43,056	10,413	2,066,517
Supplies	67,450	* 7,808	* 12	4,021	36,669	13,945	8,118,260
Salaries and wages	155,525	* 22,837	* 364	39,097	188,688	* 14,997	10,598,430
Taxes paid	252,232	* 3,134	* 171	14,910	25,285	4,438	2,294,429
Travel	34,150	* 3	* 17	* 1,010	18,016	6,971	981,857
Utilities	62,236	* 241	* 26	13,863	18,592	3,908	2,593,852
Other business deductions	3,742,497	11,906	* 1,717	75,659	141,981	60,058	14,317,657
Home office business deductions, total	12,501	0	0	* 124	* 3,545	* 1,020	1,320,751
Depreciation, Form 8829 [3]	1,125	0	0	* 56	* 202	* 935	141,652
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	23,190
Excess—casualty depreciations, Form 8829 [3]	1,540	0	0	* 2	0	* 932	85,376
<b>Net income less deficit [1,2]</b>	<b>1,119,626</b>	<b>5,079</b>	<b>* -3,125</b>	<b>59,401</b>	<b>443,634</b>	<b>39,999</b>	<b>35,667,000</b>
Net income [1,2]	2,216,323	* 5,864	0	97,838	491,010	100,720	41,318,313
Deficit [2]	-1,096,697	* -785	* -3,125	-38,436	-47,376	-60,722	-5,651,313

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Mining—continued					Utilities	Construction
	Oil and gas extraction	Coal mining	Metal ore mining	Nonmetallic mineral mining and quarrying	Support activities for mining	Total	Total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns [1]	78,895	* 261	0	2,130	13,826	8,067	2,434,150
<b>Business receipts, total [1]</b>	<b>7,545,881</b>	<b>* 62,270</b>	<b>0</b>	<b>777,948</b>	<b>1,509,078</b>	<b>406,924</b>	<b>200,697,261</b>
Income from sales and operations [1]	7,215,533	* 62,178	0	777,856	1,432,131	404,903	199,409,333
Other business income	330,349	* 92	0	* 92	76,946	* 2,021	1,287,928
<b>Business deductions, total [1,2]</b>	<b>5,330,641</b>	<b>* 56,405</b>	<b>0</b>	<b>680,110</b>	<b>1,018,067</b>	<b>306,234</b>	<b>159,383,836</b>
Cost of sales and operations, total	1,226,673	* 4,370	0	415,201	329,812	* 115,884	81,910,491
Inventory, beginning of year	33,330	* 82	0	* 3,630	* 5,433	* 447	3,885,876
Cost of labor	130,446	0	0	* 48,148	* 13,349	0	15,222,461
Purchases	335,839	* 3,935	0	* 287,064	* 221,908	* 44,365	24,371,648
Materials and supplies	36,879	0	0	* 14,316	* 24,481	* 2,523	28,268,445
Other costs	717,077	* 430	0	* 65,989	73,732	* 68,996	14,740,831
Inventory, end of year	26,898	* 77	0	* 3,944	* 9,091	* 447	4,578,770
Advertising expenses	3,886	* 46	0	* 6,218	1,716	* 1,466	1,000,554
Car and truck expenses	140,862	* 171	0	* 21,189	118,632	33,073	12,866,040
Commissions	25,340	* 35	0	* 2,566	* 172	* 2,183	563,724
Contract labor	78,485	* 18	0	* 448	34,451	* 55,718	13,251,362
Depletion	651,735	0	0	8,769	* 1,415	* 3,371	56,796
Depreciation	444,745	* 1,716	0	66,580	99,621	16,189	5,589,410
Employee benefit programs	5,647	* 1,730	0	* 1,392	4,187	* 3	273,735
Insurance	58,301	* 4,411	0	11,016	36,821	* 4,769	3,578,133
Legal and professional services	51,803	* 616	0	1,513	6,674	* 697	789,754
Meals and entertainment deducted	12,038	* 3	0	* 619	12,166	* 1,769	576,054
Mortgage interest	15,071	* 67	0	* 4,468	* 3,370	* 333	481,291
Other interest paid on business indebtedness	52,277	* 153	0	* 13,465	8,980	* 110	833,239
Office expenses	24,563	* 66	0	2,188	6,356	* 1,500	930,453
Pension and profit-sharing plans	2,018	* 131	0	* 75	* 308	* 5	63,753
Rent paid on machinery and equipment	14,436	* 178	0	* 2,270	5,558	* 2,316	1,111,543
Rent paid on other business property	24,558	* 52	0	* 940	7,865	* 105	1,211,961
Repairs	111,073	* 3,700	0	20,711	23,209	* 5,138	1,612,211
Supplies	49,378	* 7,808	0	* 2,469	17,972	12,387	6,715,431
Salaries and wages	98,276	* 22,837	0	* 27,989	125,726	* 9,996	8,654,849
Taxes paid	180,730	* 2,630	0	10,671	18,735	* 3,846	1,839,370
Travel	18,805	* 1	0	* 653	16,594	* 2,136	791,165
Utilities	53,769	* 241	0	8,860	16,078	2,986	2,051,584
Other business deductions	1,964,133	* 5,425	0	49,735	104,831	25,224	11,183,919
Home office business deductions, total	10,265	0	0	* 106	* 3,545	* 230	1,077,913
Depreciation, Form 8829 [3]	791	0	0	* 54	* 202	* 3	109,495
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	20,589
Excess—casualty depreciations, Form 8829 [3]	* 97	0	0	0	0	0	22,768
<b>Net income [1,2]</b>	<b>2,216,323</b>	<b>* 5,864</b>	<b>0</b>	<b>97,838</b>	<b>491,010</b>	<b>100,720</b>	<b>41,318,313</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	17,284	0	0	* 300	4,367	* 3,983	470,797
Business receipts	66,658	0	0	* 33,350	39,533	* 21,891	3,626,865
Business deductions	11,789	0	0	0	* 13,312	* 4,802	372,204

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Construction—continued				Manufacturing			
	Residential building construction	Nonresidential building construction	Heavy and civil engineering construction	Specialty trade contractors	Total	Food manufacturing	Textile and textile product mills	Apparel
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>423,433</b>	<b>83,005</b>	<b>77,303</b>	<b>2,347,369</b>	<b>362,390</b>	<b>44,984</b>	<b>7,690</b>	<b>28,809</b>
<b>Business receipts, total [1]</b>	<b>50,209,133</b>	<b>10,828,766</b>	<b>10,069,553</b>	<b>159,727,616</b>	<b>29,248,316</b>	<b>3,864,513</b>	<b>407,370</b>	<b>1,287,983</b>
Income from sales and operations [1]	49,945,594	10,738,066	9,954,323	158,581,651	29,063,321	3,836,267	407,264	1,280,405
Other business income	263,539	90,700	115,230	1,145,964	184,994	28,246	* 106	7,578
<b>Business deductions, total [1,2]</b>	<b>44,432,292</b>	<b>9,669,315</b>	<b>9,244,020</b>	<b>131,892,215</b>	<b>26,230,644</b>	<b>3,791,997</b>	<b>423,076</b>	<b>1,205,864</b>
Cost of sales and operations, total	28,259,449	6,205,627	5,252,838	59,597,975	14,167,143	2,438,758	210,860	568,938
Inventory, beginning of year	4,331,173	218,026	1,648,010	1,704,753	1,608,491	314,741	* 31,946	88,221
Cost of labor	3,828,925	868,808	382,226	12,567,497	1,630,818	75,453	* 37,258	128,189
Purchases	7,764,105	1,567,259	2,015,934	18,684,381	7,778,254	1,743,801	* 111,234	302,383
Materials and supplies	9,320,768	1,660,525	1,349,615	20,842,672	3,090,152	500,931	* 20,884	31,569
Other costs	7,741,160	2,208,738	1,867,848	7,517,462	1,869,448	201,463	* 22,702	112,644
Inventory, end of year	4,726,681	317,728	2,010,795	1,718,791	1,810,019	397,630	* 13,163	94,068
Advertising expenses	210,353	35,210	62,625	956,710	284,439	41,200	6,160	31,574
Car and truck expenses	2,230,060	471,064	354,330	12,528,632	1,024,633	98,146	28,038	54,902
Commissions	149,109	37,659	68,054	497,809	162,571	15,928	* 6,479	4,351
Contract labor	2,995,191	520,982	324,941	11,446,296	466,746	16,523	* 4,116	45,522
Depletion	* 3,448	* 143	* 614	56,617	596	* 75	0	0
Depreciation	1,007,430	255,248	549,950	5,451,651	1,190,925	112,301	15,185	35,421
Employee benefit programs	34,448	18,674	10,921	303,078	104,160	7,387	* 2,185	* 7,312
Insurance	740,853	185,893	182,539	3,257,428	368,060	36,438	9,027	9,941
Legal and professional services	247,801	52,855	102,099	667,094	194,980	25,397	5,347	6,440
Meals and entertainment deducted	97,814	29,983	40,996	528,383	88,754	6,548	729	8,688
Mortgage interest	337,541	49,825	161,448	422,316	157,726	15,577	* 67	* 4
Other interest paid on business indebtedness	300,892	72,656	150,002	735,155	224,517	39,571	* 3,495	4,696
Office expenses	174,419	50,731	57,056	921,653	245,077	26,964	2,071	16,096
Pension and profit-sharing plans	8,355	3,431	5,409	56,579	16,626	541	* 2,452	* 79
Rent paid on machinery and equipment	204,865	103,428	82,850	1,039,082	168,357	25,687	* 3,174	4,904
Rent paid on other business property	227,167	63,135	43,512	1,271,506	961,775	85,316	15,815	63,083
Repairs	248,086	77,705	196,884	1,543,841	356,471	55,296	3,808	9,236
Supplies	1,491,610	204,805	163,288	6,258,557	772,723	76,295	7,349	35,600
Salaries and wages	1,485,090	430,576	395,965	8,286,798	2,016,732	287,887	* 33,131	61,269
Taxes paid	361,982	107,942	138,152	1,686,352	440,895	69,053	8,596	16,398
Travel	92,207	53,380	79,372	756,899	199,949	19,848	2,251	15,202
Utilities	405,861	122,461	100,261	1,965,270	645,839	83,757	18,113	35,388
Other business deductions	2,833,914	478,331	682,618	10,322,794	1,718,256	194,654	30,087	140,461
Home office business deductions, total	221,462	30,844	28,541	1,039,904	208,248	* 3,642	* 734	23,315
Depreciation, Form 8829 [3]	23,771	4,622	1,929	111,330	22,810	* 265	* 731	* 3,844
Casualty loss, Form 8829 [3]	* 6,026	* 2,589	* 1,734	12,842	* 7,152	0	0	0
Excess—casualty depreciations, Form 8829 [3]	7,807	* 126	910	76,533	20,111	* 371	0	* 2,248
<b>Net income less deficit [1,2]</b>	<b>5,823,813</b>	<b>1,160,688</b>	<b>827,809</b>	<b>27,854,691</b>	<b>3,031,757</b>	<b>73,829</b>	<b>-15,707</b>	<b>86,798</b>
Net income [1,2]	7,219,827	1,428,246	1,516,443	31,153,797	4,461,145	344,521	45,094	222,020
Deficit [2]	-1,396,014	-267,558	-688,634	-3,299,106	-1,429,387	-270,692	-60,800	-135,222

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Construction—continued				Manufacturing			
	Residential building construction	Nonresidential building construction	Heavy and civil engineering construction	Specialty trade contractors	Total	Food manufacturing	Textile and textile product mills	Apparel
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>353,370</b>	<b>68,416</b>	<b>53,045</b>	<b>1,959,319</b>	<b>217,718</b>	<b>27,381</b>	<b>5,050</b>	<b>16,445</b>
<b>Business receipts, total [1]</b>	<b>41,215,012</b>	<b>9,120,021</b>	<b>7,152,437</b>	<b>143,209,791</b>	<b>23,656,129</b>	<b>3,153,371</b>	<b>352,856</b>	<b>1,071,138</b>
Income from sales and operations [1]	41,010,110	9,044,825	7,118,071	142,236,327	23,536,337	3,134,316	352,856	1,063,793
Other business income	204,902	75,196	34,366	973,464	119,792	19,055	0	* 7,344
<b>Business deductions, total [1,2]</b>	<b>33,999,954</b>	<b>7,691,775</b>	<b>5,636,404</b>	<b>112,055,703</b>	<b>19,195,250</b>	<b>2,809,103</b>	<b>307,763</b>	<b>849,118</b>
Cost of sales and operations, total	21,781,202	5,093,127	3,026,982	52,009,181	10,913,050	1,973,522	* 144,625	462,854
Inventory, beginning of year	2,231,006	95,754	515,057	1,044,059	923,060	168,743	* 3,871	59,814
Cost of labor	3,293,848	790,635	222,834	10,915,144	1,237,498	40,589	* 32,333	* 127,940
Purchases	5,479,795	1,086,451	1,080,980	16,724,423	5,977,782	1,447,159	* 82,402	230,409
Materials and supplies	7,577,583	1,523,473	910,378	18,257,011	2,432,074	415,299	* 16,912	17,632
Other costs	5,640,778	1,785,685	1,061,847	6,252,521	1,373,427	111,436	* 18,977	* 97,008
Inventory, end of year	2,441,808	188,871	764,114	1,183,976	1,030,790	209,705	* 9,871	69,949
Advertising expenses	152,056	31,664	35,952	780,883	159,893	11,943	* 4,982	3,388
Car and truck expenses	1,817,715	374,176	241,800	10,432,349	689,316	60,723	* 25,072	43,634
Commissions	107,470	* 16,698	55,039	384,518	90,053	9,525	* 3,838	4,212
Contract labor	2,411,544	415,481	259,314	10,165,022	319,361	13,077	* 2,174	* 2,287
Depletion	* 30	* 143	* 550	56,073	460	0	0	0
Depreciation	795,761	193,134	365,257	4,235,259	772,801	58,068	* 12,642	12,916
Employee benefit programs	21,073	14,784	5,670	232,208	85,275	4,696	* 2,185	* 7,170
Insurance	590,659	128,183	132,230	2,727,060	268,714	26,078	* 8,126	8,535
Legal and professional services	148,592	37,359	51,178	552,624	112,964	15,789	* 4,373	4,194
Meals and entertainment deducted	77,452	25,186	30,867	442,549	57,382	3,215	* 294	3,982
Mortgage interest	130,725	39,094	39,988	271,483	96,198	9,146	* 67	0
Other interest paid on business indebtedness	174,904	43,857	73,553	540,926	143,867	18,634	* 2,812	* 4,522
Office expenses	141,973	41,133	33,795	713,552	151,454	9,357	* 1,403	12,942
Pension and profit-sharing plans	7,097	3,208	3,577	49,870	14,697	* 447	* 2,448	* 62
Rent paid on machinery and equipment	130,280	55,383	67,420	858,460	127,619	12,323	* 2,508	* 4,878
Rent paid on other business property	171,112	37,623	26,525	976,700	665,372	61,389	* 11,138	49,121
Repairs	208,905	55,458	129,504	1,218,345	279,556	42,798	* 3,394	8,833
Supplies	1,144,919	140,277	139,725	5,290,511	560,645	32,043	* 5,745	25,763
Salaries and wages	1,086,613	346,370	278,641	6,943,226	1,533,443	209,012	* 22,748	58,851
Taxes paid	253,925	86,390	89,049	1,410,006	341,704	56,646	* 5,707	13,298
Travel	77,689	43,912	47,889	621,675	112,427	5,144	* 521	7,742
Utilities	319,355	71,194	61,058	1,599,977	440,687	61,804	* 15,057	27,650
Other business deductions	2,003,301	361,450	406,919	8,412,248	1,082,614	101,669	* 21,365	59,184
Home office business deductions, total	183,313	29,764	25,167	839,669	137,344	* 2,847	* 734	* 16,055
Depreciation, Form 8829 [3]	17,522	4,502	1,668	85,802	17,076	* 163	* 731	* 3,020
Casualty loss, Form 8829 [3]	* 6,022	* 2,589	* 1,734	* 10,244	* 3,319	0	0	0
Excess—casualty depreciations, Form 8829 [3]	1,918	* 7	0	20,843	* 2,091	0	0	0
<b>Net income [1,2]</b>	<b>7,219,827</b>	<b>1,428,246</b>	<b>1,516,443</b>	<b>31,153,797</b>	<b>4,461,145</b>	<b>344,521</b>	<b>45,094</b>	<b>222,020</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	65,277	11,533	12,210	381,777	47,827	11,318	* 1,291	* 4,270
Business receipts	535,954	100,852	108,616	2,881,443	314,749	79,244	* 5,451	* 25,674
Business deductions	62,885	* 6,727	8,756	293,836	44,446	* 9,207	* 3,806	* 7,045
Net income	473,069	94,125	99,859	2,587,607	270,303	70,037	* 1,645	* 18,629

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Manufacturing—continued							
	Leather and allied products	Wood products	Paper products	Printing and related support activities	Petroleum and coal products	Chemical manufacturing	Plastics, rubber, clay, refractory, and glass products	Nonmetallic mineral products
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>* 3,084</b>	<b>35,852</b>	<b>* 1,060</b>	<b>34,903</b>	<b>390</b>	<b>8,802</b>	<b>15,217</b>	<b>4,392</b>
<b>Business receipts, total [1]</b>	<b>* 46,456</b>	<b>2,692,662</b>	<b>* 47,083</b>	<b>2,704,692</b>	<b>38,627</b>	<b>591,406</b>	<b>781,386</b>	<b>769,424</b>
Income from sales and operations [1]	* 39,488	2,661,310	* 47,083	2,700,456	36,652	586,424	780,630	766,528
Other business income	* 6,968	31,352	0	4,236	* 1,975	4,983	* 755	* 2,896
<b>Business deductions, total [1,2]</b>	<b>* 32,513</b>	<b>2,423,114</b>	<b>* 50,246</b>	<b>2,384,531</b>	<b>39,923</b>	<b>539,768</b>	<b>676,816</b>	<b>702,713</b>
Cost of sales and operations, total	* 21,382	1,357,141	* 34,729	1,113,429	* 27,221	206,167	312,945	378,633
Inventory, beginning of year	* 32,864	195,590	* 2,019	46,738	* 10,269	20,580	33,191	* 21,120
Cost of labor	0	165,123	0	88,093	* 1,119	* 11,521	* 27,806	* 20,255
Purchases	* 23,616	714,850	* 32,302	610,523	* 11,504	* 104,062	217,651	* 193,890
Materials and supplies	0	283,143	0	222,964	* 210	39,380	67,293	119,185
Other costs	0	195,205	* 2,713	186,068	* 4,120	54,921	* 7,369	* 51,704
Inventory, end of year	* 35,098	196,770	* 2,305	40,957	0	24,297	40,364	* 27,521
Advertising expenses	* 2,140	14,580	* 1	51,475	* 28	4,143	8,130	5,969
Car and truck expenses	* 618	86,669	* 1,187	91,297	* 49	17,780	44,957	14,626
Commissions	0	6,951	0	12,951	* 89	* 4,071	* 929	* 102
Contract labor	0	32,772	* 4	19,896	* 1,237	* 11,443	35,201	* 6,144
Depletion	0	* 22	0	0	* 147	* 13	0	* [4]
Depreciation	* 364	145,663	* 611	112,611	* 3,153	19,488	10,401	37,461
Employee benefit programs	* 1	15,852	0	9,076	* 165	* 4,990	* 1,982	* 3,051
Insurance	* 374	27,132	* 1,330	26,289	* 1,373	12,481	20,213	17,407
Legal and professional services	* 2	13,884	* 314	17,256	* 333	7,188	3,225	6,585
Meals and entertainment deducted	* 40	3,387	* 130	7,790	* 22	2,510	4,785	1,876
Mortgage interest	* 9	15,921	* 1,089	* 16,747	* 66	* 12,812	* 2,522	* 3,326
Other interest paid on business indebtedness	0	21,151	0	33,176	* 2,340	3,585	* 4,742	4,084
Office expenses	* 39	23,156	* 289	36,496	* 283	12,163	4,477	6,654
Pension and profit-sharing plans	0	* 1,435	0	* 1,810	0	* 359	* 271	* 341
Rent paid on machinery and equipment	0	25,703	* 518	16,086	0	2,354	* 3,215	* 2,944
Rent paid on other business property	* 21	48,184	* 341	154,754	* 2	11,265	52,301	* 9,697
Repairs	* 7	56,131	* 358	27,451	* 83	7,905	8,316	14,604
Supplies	* 354	51,705	* 2	80,809	* 6	11,792	23,107	18,331
Salaries and wages	* 5,067	190,710	* 4,460	234,967	* 1,023	91,782	49,108	86,023
Taxes paid	* 4	32,655	* 397	51,725	* 68	8,320	10,738	13,441
Travel	* 184	9,272	* 284	11,393	* 80	6,117	5,904	5,439
Utilities	* 218	44,754	* 331	93,661	* 240	34,866	16,492	8,015
Other business deductions	* 1,550	160,619	* 995	151,805	1,729	40,406	43,090	55,834
Home office business deductions, total	* 137	33,372	* 2,875	10,292	0	* 2,581	* 9,307	* 2,128
Depreciation, Form 8829 [3]	* 81	* 3,236	0	* 1,491	0	* 332	* 671	* 310
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	* 1,123	0	* 654	0	* 29	* 2,216	0
<b>Net income less deficit [1,2]</b>	<b>* 13,944</b>	<b>269,548</b>	<b>* -3,163</b>	<b>321,191</b>	<b>-1,296</b>	<b>51,638</b>	<b>104,589</b>	<b>66,711</b>
Net income [1,2]	* 18,916	356,670	* 2,538	440,485	2,612	93,378	137,825	102,711
Deficit [2]	* -4,973	-87,121	* -5,701	-119,294	* -3,908	-41,740	-33,237	-36,001

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Manufacturing—continued							
	Leather and allied products	Wood products	Paper products	Printing and related support activities	Petroleum and coal products	Chemical manufacturing	Plastics, rubber, clay, refractory, and glass products	Nonmetallic mineral products
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>* 3,001</b>	<b>22,680</b>	<b>* 55</b>	<b>22,192</b>	<b>349</b>	<b>4,420</b>	<b>8,402</b>	<b>3,328</b>
<b>Business receipts, total [1]</b>	<b>* 20,120</b>	<b>2,373,021</b>	<b>* 2,565</b>	<b>2,047,637</b>	<b>16,857</b>	<b>392,804</b>	<b>544,246</b>	<b>694,533</b>
Income from sales and operations [1]	* 13,437	2,356,878	* 2,565	2,046,142	16,392	388,520	544,105	691,748
Other business income	* 6,682	16,143	0	1,495	* 465	4,284	* 140	* 2,785
<b>Business deductions, total [1,2]</b>	<b>* 1,203</b>	<b>2,016,351</b>	<b>* 27</b>	<b>1,607,152</b>	<b>14,245</b>	<b>299,426</b>	<b>406,420</b>	<b>591,821</b>
Cost of sales and operations, total	0	1,177,976	* 15	727,142	* 12,445	120,075	161,888	351,319
Inventory, beginning of year	0	117,861	0	25,052	0	* 3,440	25,364	* 20,755
Cost of labor	0	149,414	0	* 68,900	0	* 11,521	* 5,685	* 15,932
Purchases	0	585,636	* 15	399,291	* 10,644	* 40,107	* 97,807	* 187,366
Materials and supplies	0	252,693	0	170,945	0	* 38,922	* 54,283	* 107,000
Other costs	0	175,399	0	85,128	* 1,801	* 29,583	* 3,649	* 44,033
Inventory, end of year	0	103,026	0	22,173	0	* 3,498	* 24,900	* 23,767
Advertising expenses	0	11,538	0	34,549	* 9	* 2,520	2,950	5,238
Car and truck expenses	* 340	65,754	* 9	50,856	* 40	12,817	20,804	* 14,122
Commissions	0	* 6,645	0	8,768	* 89	* 4,008	* 373	* 86
Contract labor	0	* 27,058	0	17,003	0	* 1,127	* 33,629	* 5,049
Depletion	0	* 21	0	0	* 146	* 13	0	0
Depreciation	0	102,371	0	74,642	* 166	10,660	6,321	21,988
Employee benefit programs	0	15,382	0	6,204	0	* 4,905	* 1,902	* 2,188
Insurance	0	23,136	0	18,734	* 21	8,565	18,157	* 16,009
Legal and professional services	0	10,779	0	7,772	* 252	3,184	2,090	4,630
Meals and entertainment deducted	* 17	2,214	0	5,324	* 2	1,507	* 2,506	* 1,818
Mortgage interest	0	* 9,264	0	* 15,107	* 66	* 5,950	0	* 1,188
Other interest paid on business indebtedness	0	10,317	0	16,334	0	* 2,585	* 4,417	* 3,137
Office expenses	0	9,480	0	24,261	* 16	5,963	* 2,689	6,040
Pension and profit-sharing plans	0	* 1,423	0	* 1,806	0	* 359	* 257	0
Rent paid on machinery and equipment	0	21,403	0	15,333	0	* 1,460	* 3,208	* 2,747
Rent paid on other business property	0	38,423	0	112,212	0	* 5,971	* 33,722	* 4,484
Repairs	0	47,818	0	19,920	* 1	4,994	* 2,960	* 8,430
Supplies	0	42,426	0	68,880	* 1	* 9,149	17,100	* 10,116
Salaries and wages	0	172,814	0	179,082	* 50	* 52,418	* 37,739	* 76,299
Taxes paid	0	27,837	* 2	34,116	* 9	4,426	* 6,420	10,861
Travel	* 70	4,643	0	5,672	* 9	2,603	* 3,113	* 5,347
Utilities	* 42	37,223	0	56,313	* 43	8,551	11,820	5,818
Other business deductions	* 597	122,237	0	98,058	855	23,045	23,757	32,782
Home office business deductions, total	* 137	* 23,878	0	7,773	0	* 2,566	* 8,140	* 2,128
Depreciation, Form 8829 [3]	* 81	* 2,783	0	* 837	0	* 331	* 250	* 310
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	0	0	0	* 27	0	0
<b>Net income [1,2]</b>	<b>* 18,916</b>	<b>356,670</b>	<b>* 2,538</b>	<b>440,485</b>	<b>2,612</b>	<b>93,378</b>	<b>137,825</b>	<b>102,711</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	* 999	* 1,742	* 6	* 2,938	* 47	* 1,027	* 1,999	* 1,285
Business receipts	* 9,694	* 17,640	* 1,620	* 27,297	* 1,347	* 3,292	* 2,319	* 22,271
Business deductions	0	* 4,293	0	* 1,290	* 186	* 3,185	* 458	0
Net income	* 9,694	* 13,347	* 1,620	* 26,008	* 1,161	* 107	* 1,862	* 22,271

Footnotes at end of table.



# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Manufacturing—continued						
	Primary metal industries	Fabricated metal products	Machinery	Computer and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Furniture and related products
	(32)	(33)	(34)	(35)	(36)	(37)	(38)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>5,141</b>	<b>28,120</b>	<b>24,113</b>	<b>9,846</b>	<b>7,097</b>	<b>8,630</b>	<b>22,074</b>
<b>Business receipts, total [1]</b>	<b>642,314</b>	<b>4,070,630</b>	<b>3,299,982</b>	<b>165,642</b>	<b>633,672</b>	<b>952,524</b>	<b>2,028,453</b>
Income from sales and operations [1]	642,310	4,057,557	3,248,288	160,016	630,844	949,273	2,026,432
Other business income	* 4	13,074	51,695	* 5,626	2,828	* 3,251	2,020
<b>Business deductions, total [1,2]</b>	<b>509,219</b>	<b>3,589,536</b>	<b>2,794,708</b>	<b>161,304</b>	<b>560,724</b>	<b>948,445</b>	<b>1,654,089</b>
Cost of sales and operations, total	* 264,369	1,938,506	1,421,910	41,047	375,975	564,336	812,680
Inventory, beginning of year	* 3,948	132,914	81,479	* 48,537	41,428	104,112	111,081
Cost of labor	* 69,472	348,514	179,582	* 2,669	* 10,395	* 144,073	108,654
Purchases	* 86,873	771,167	632,101	* 33,049	259,911	347,762	447,852
Materials and supplies	* 60,687	551,147	383,416	* 2,145	* 106,687	* 43,663	136,358
Other costs	* 47,317	298,621	243,381	* 1,658	* 4,164	47,348	120,775
Inventory, end of year	* 3,929	163,857	98,049	* 47,010	46,612	122,622	112,039
Advertising expenses	* 1,215	22,666	12,777	5,031	3,856	6,624	16,128
Car and truck expenses	* 6,621	138,921	111,254	25,900	10,194	63,285	78,094
Commissions	* 3,319	38,196	10,272	* 34	* 2,646	* 364	18,795
Contract labor	* 623	70,294	89,362	* 5,110	* 5,782	* 12,918	60,215
Depletion	0	* 22	* 37	0	0	* 187	* 93
Depreciation	48,738	204,443	221,857	8,582	4,018	17,939	60,917
Employee benefit programs	* 715	16,992	8,369	* 63	* 2,459	* 1,471	* 2,581
Insurance	* 18,837	58,981	49,577	* 861	7,073	7,196	26,022
Legal and professional services	* 2,090	30,047	12,187	* 469	2,134	5,791	15,979
Meals and entertainment deducted	* 1,541	10,444	10,577	3,713	2,486	4,684	6,009
Mortgage interest	0	19,768	23,557	* 555	* 1,280	* 15,509	10,167
Other interest paid on business indebtedness	* 12,840	25,321	20,816	* 57	2,211	3,473	10,206
Office expenses	* 3,284	28,397	19,480	2,033	2,859	1,234	10,446
Pension and profit-sharing plans	0	3,225	* 4,107	0	* 392	* 465	* 451
Rent paid on machinery and equipment	* 749	26,072	6,415	0	* 6,536	* 15,357	8,524
Rent paid on other business property	* 29,924	148,710	95,576	* 3,430	9,013	45,949	81,827
Repairs	* 8,302	45,310	42,763	* 1,642	1,468	22,050	16,214
Supplies	* 2,779	74,725	131,565	4,244	1,852	40,677	101,201
Salaries and wages	* 45,550	268,372	188,560	* 2,436	61,959	39,540	124,835
Taxes paid	* 7,478	67,425	42,684	1,533	4,271	6,659	28,161
Travel	* 305	26,236	19,849	* 2,000	6,215	10,612	10,555
Utilities	14,498	82,724	74,551	5,606	6,536	18,879	30,226
Other business deductions	35,172	229,653	159,868	42,094	22,958	42,334	106,653
Home office business deductions, total	0	* 14,002	15,641	* 4,862	* 16,168	* 911	* 17,109
Depreciation, Form 8829 [3]	0	* 33	* 1,712	* 1,297	* 381	* 226	* 1,767
Casualty loss, Form 8829 [3]	0	* 3,319	* 3,833	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	* 84	* 5,242	* 198	* 381	* 1,261	* 270
<b>Net income less deficit [1,2]</b>	<b>133,096</b>	<b>481,095</b>	<b>506,170</b>	<b>4,338</b>	<b>74,534</b>	<b>4,100</b>	<b>374,546</b>
Net income [1,2]	136,912	599,544	537,083	49,378	99,764	98,655	421,499
Deficit [2]	* -3,816	-118,449	-30,913	-45,040	-25,230	-94,555	-46,954

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Manufacturing—continued						
	Primary metal industries	Fabricated metal products	Machinery	Computer and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Furniture and related products
	(32)	(33)	(34)	(35)	(36)	(37)	(38)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns [1]	3,849	20,513	18,467	3,768	5,491	3,603	15,754
<b>Business receipts, total [1]</b>	<b>641,736</b>	<b>3,188,039</b>	<b>2,832,280</b>	<b>155,431</b>	<b>418,018</b>	<b>864,534</b>	<b>1,788,714</b>
Income from sales and operations [1]	641,732	3,183,314	2,798,325	149,808	415,344	864,454	1,788,080
Other business income	* 4	4,725	33,955	* 5,624	* 2,674	* 80	* 634
<b>Business deductions, total [1,2]</b>	<b>504,824</b>	<b>2,588,495</b>	<b>2,295,197</b>	<b>106,053</b>	<b>318,254</b>	<b>765,879</b>	<b>1,367,215</b>
Cost of sales and operations, total	* 264,369	1,528,440	1,269,835	* 37,630	243,796	505,326	621,997
Inventory, beginning of year	* 3,948	92,607	73,811	* 3,269	* 33,728	* 42,401	83,331
Cost of labor	* 69,472	192,698	170,524	* 2,601	* 10,062	* 128,916	70,593
Purchases	* 86,873	609,646	532,732	* 32,713	* 127,917	* 325,755	384,406
Materials and supplies	* 60,687	492,621	356,830	* 47	* 106,648	* 34,720	109,573
Other costs	* 47,317	246,496	224,547	* 1,657	* 3,276	* 16,338	62,797
Inventory, end of year	* 3,929	105,627	88,608	* 2,657	* 37,835	* 42,805	88,703
Advertising expenses	* 1,159	19,905	10,968	* 3,146	* 451	* 3,695	13,511
Car and truck expenses	* 6,621	104,469	87,255	* 10,184	* 5,886	31,454	68,179
Commissions	* 3,319	12,405	* 10,220	0	* 127	* 339	7,257
Contract labor	* 623	59,786	40,787	* 115	* 3,630	* 10,735	59,868
Depletion	0	0	0	0	0	* 187	* 93
Depreciation	* 48,142	105,345	161,553	* 963	2,726	11,463	55,060
Employee benefit programs	* 715	13,045	8,289	* 28	* 41	* 1,266	* 2,386
Insurance	* 18,666	33,068	32,147	* 834	* 3,427	6,551	23,344
Legal and professional services	* 2,085	10,323	10,249	* 311	1,396	2,934	9,961
Meals and entertainment deducted	* 1,541	7,530	8,298	* 734	2,214	2,025	5,559
Mortgage interest	0	6,816	* 19,583	* 20	* 1,280	* 13,765	* 6,479
Other interest paid on business indebtedness	* 12,840	16,999	18,710	* 57	* 1,666	* 3,015	8,017
Office expenses	* 2,690	23,775	13,984	* 603	* 1,837	* 995	7,800
Pension and profit-sharing plans	0	2,470	* 3,963	0	* 392	* 186	* 451
Rent paid on machinery and equipment	* 749	18,493	5,961	0	* 1,192	* 15,353	8,507
Rent paid on other business property	* 29,780	90,801	54,983	* 3,295	* 6,814	29,812	73,380
Repairs	* 8,302	39,357	30,988	* 395	* 232	21,115	12,637
Supplies	* 2,118	52,079	99,406	* 1,843	* 217	22,383	99,722
Salaries and wages	* 45,550	186,683	169,329	* 1,565	* 19,356	* 29,011	116,320
Taxes paid	* 7,438	50,272	35,755	* 583	* 2,196	5,858	26,473
Travel	* 305	12,970	17,970	* 828	4,896	3,220	8,458
Utilities	* 13,504	52,861	60,007	* 2,644	2,759	14,687	22,890
Other business deductions	* 34,037	127,719	108,626	* 35,556	11,246	29,904	93,394
Home office business deductions, total	0	* 12,800	* 15,237	* 4,719	* 93	* 602	* 15,471
Depreciation, Form 8829 [3]	0	* 5	* 1,691	* 1,198	0	0	* 1,497
Casualty loss, Form 8829 [3]	0	* 3,319	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	* 435	0	0	0	0
<b>Net income [1,2]</b>	<b>136,912</b>	<b>599,544</b>	<b>537,083</b>	<b>49,378</b>	<b>99,764</b>	<b>98,655</b>	<b>421,499</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	* 937	* 1,772	* 1,661	* 1,027	* 3,026	* 1,139	* 654
Business receipts	* 1,552	* 6,948	* 4,639	* 2,246	* 22,324	* 12,595	* 8,630
Business deductions	* 271	* 83	* 1,095	0	* 386	0	0
Net income	* 1,281	* 6,865	* 3,544	* 2,246	* 21,938	* 12,595	* 8,630

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item			Wholesale trade (merchant wholesalers)				Retail trade	
	Medical equipment and supplies	Other miscellaneous manufacturing	Total	Durable goods, including machinery, wood, metals, etc.	Nondurable goods, including food, fiber, chemicals, etc.	Wholesale electronic markets and agents and brokers	Total	Motor vehicle and parts dealers
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>11,759</b>	<b>60,426</b>	<b>340,373</b>	<b>153,562</b>	<b>114,362</b>	<b>72,449</b>	<b>2,436,291</b>	<b>145,975</b>
<b>Business receipts, total [1]</b>	<b>885,652</b>	<b>3,337,846</b>	<b>50,447,175</b>	<b>22,090,048</b>	<b>21,346,578</b>	<b>7,010,549</b>	<b>198,881,138</b>	<b>41,039,684</b>
Income from sales and operations [1]	884,647	3,321,448	49,977,829	21,791,288	21,293,558	6,892,983	196,490,502	40,708,048
Other business income	* 1,004	16,398	469,346	298,760	53,020	117,566	2,390,636	331,636
<b>Business deductions, total [1,2]</b>	<b>745,377</b>	<b>2,996,683</b>	<b>45,646,254</b>	<b>20,129,459</b>	<b>19,746,127</b>	<b>5,770,668</b>	<b>189,472,430</b>	<b>39,908,603</b>
Cost of sales and operations, total	353,042	1,725,074	33,807,186	14,579,142	15,223,108	4,004,936	131,967,253	32,559,687
Inventory, beginning of year	* 17,485	270,230	2,871,450	1,804,915	900,797	165,738	22,772,494	5,604,728
Cost of labor	* 826	211,816	414,747	263,534	73,118	78,094	2,524,239	615,727
Purchases	57,766	1,075,958	29,696,134	12,688,326	13,701,088	3,306,721	118,950,289	29,952,015
Materials and supplies	* 240,480	280,011	1,470,244	750,819	450,490	268,934	6,265,212	1,304,603
Other costs	* 58,955	208,319	2,618,914	1,082,351	1,160,836	375,727	4,867,592	922,169
Inventory, end of year	22,471	321,259	3,264,303	2,010,802	1,063,221	190,279	23,412,573	5,839,555
Advertising expenses	22,669	28,070	352,946	176,696	126,844	49,405	2,397,463	349,139
Car and truck expenses	45,180	106,916	1,434,458	614,197	502,427	317,834	6,137,823	559,476
Commissions	* 24,244	12,851	617,321	320,829	196,296	100,196	1,145,926	229,175
Contract labor	* 33,208	16,377	387,889	164,822	160,302	62,765	1,217,225	200,778
Depletion	0	* [4]	5,470	* 1,543	3,927	0	11,580	* 1,535
Depreciation	12,569	119,206	585,657	327,176	212,979	45,502	2,682,887	370,276
Employee benefit programs	* 1,273	18,237	93,480	28,970	33,296	31,214	267,277	56,035
Insurance	4,676	32,832	286,218	131,647	124,051	30,520	1,573,633	323,560
Legal and professional services	9,451	30,861	213,791	104,503	83,988	25,300	816,576	97,536
Meals and entertainment deducted	4,072	8,722	190,961	86,414	57,662	46,885	421,352	40,688
Mortgage interest	* 3,614	15,136	112,189	42,444	64,222	5,523	947,484	175,813
Other interest paid on business indebtedness	4,534	28,220	312,571	169,000	117,398	26,172	1,169,780	287,097
Office expenses	18,667	29,988	267,375	136,523	80,359	50,493	1,153,338	137,329
Pension and profit-sharing plans	* 68	* 630	18,546	10,936	6,267	1,343	42,387	5,946
Rent paid on machinery and equipment	* 1,245	18,873	180,906	122,407	38,791	19,709	687,456	36,270
Rent paid on other business property	18,383	88,185	721,017	378,813	245,195	97,010	6,140,304	564,151
Repairs	3,859	31,667	242,031	133,036	98,801	10,195	1,283,997	289,379
Supplies	15,556	94,774	558,888	295,739	222,499	40,651	2,809,686	273,985
Salaries and wages	33,589	206,461	1,423,998	685,641	604,999	133,358	8,812,053	1,166,067
Taxes paid	6,631	64,658	329,410	153,420	148,617	27,373	3,002,252	509,128
Travel	18,665	29,539	548,173	244,755	192,683	110,735	1,171,531	94,967
Utilities	15,877	61,104	470,600	222,244	185,371	62,984	3,533,280	365,153
Other business deductions	83,556	174,740	2,240,679	873,111	949,744	417,824	9,081,497	1,167,108
Home office business deductions, total	* 8,001	43,172	219,376	112,180	58,837	48,359	755,401	19,365
Depreciation, Form 8829 [3]	* 903	5,531	33,473	20,985	8,383	4,106	98,359	1,376
Casualty loss, Form 8829 [3]	0	0	* 707	* 707	0	0	23,081	* 303
Excess—casualty depreciations, Form 8829 [3]	* 403	* 5,630	25,299	14,682	7,964	* 2,652	177,459	* 1,752
<b>Net income less deficit [1,2]</b>	<b>140,275</b>	<b>345,524</b>	<b>4,815,862</b>	<b>1,966,219</b>	<b>1,608,303</b>	<b>1,241,340</b>	<b>9,493,005</b>	<b>1,142,983</b>
Net income [1,2]	188,539	563,000	6,009,042	2,492,538	2,094,787	1,421,717	17,883,396	1,998,862
Deficit [2]	-48,265	-217,476	-1,193,180	-526,319	-486,484	-180,377	-8,390,390	-855,879

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item			Wholesale trade (merchant wholesalers)				Retail trade	
	Medical equipment and supplies	Other miscellaneous manufacturing	Total	Durable goods, including machinery, wood, metals, etc.	Nondurable goods, including food, fiber, chemicals, etc.	Wholesale electronic markets and agents and brokers	Total	Motor vehicle and parts dealers
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns [1]	6,889	26,080	225,451	95,727	79,854	49,870	1,267,199	99,584
<b>Business receipts, total [1]</b>	<b>577,383</b>	<b>2,520,847</b>	<b>43,189,528</b>	<b>19,034,920</b>	<b>18,250,589</b>	<b>5,904,019</b>	<b>155,918,883</b>	<b>31,179,343</b>
Income from sales and operations [1]	572,817	2,511,710	42,805,184	18,790,859	18,208,052	5,806,273	154,296,031	30,954,638
Other business income	* 4,567	9,138	384,345	244,061	42,537	97,747	1,622,852	224,706
<b>Business deductions, total [1,2]</b>	<b>388,844</b>	<b>1,957,860</b>	<b>37,180,615</b>	<b>16,542,382</b>	<b>16,155,370</b>	<b>4,482,863</b>	<b>138,032,189</b>	<b>29,180,768</b>
Cost of sales and operations, total	126,982	1,182,814	28,367,009	12,347,587	12,706,534	3,312,888	100,670,584	24,329,939
Inventory, beginning of year	* 7,605	157,460	2,136,373	1,416,861	606,180	113,333	14,197,391	3,616,115
Cost of labor	* 826	139,492	342,646	218,050	64,620	* 59,975	1,851,209	368,064
Purchases	* 36,440	760,463	24,706,244	10,666,223	11,400,132	2,639,888	90,692,684	22,460,010
Materials and supplies	* 54,313	142,949	1,229,386	652,522	315,018	261,846	5,139,254	1,125,132
Other costs	* 39,851	164,136	2,380,264	978,083	1,042,682	359,499	3,611,980	482,970
Inventory, end of year	* 12,053	181,686	2,427,905	1,584,151	722,099	121,654	14,821,934	3,722,352
Advertising expenses	* 9,506	20,437	247,598	131,669	83,020	32,908	1,524,504	229,585
Car and truck expenses	26,192	54,905	1,027,503	474,035	357,204	196,264	3,751,451	387,362
Commissions	* 7,083	11,761	539,917	273,264	186,529	80,124	812,344	184,812
Contract labor	* 32,828	9,585	306,300	132,500	133,431	40,369	851,404	135,535
Depletion	0	0	5,291	* 1,535	* 3,756	0	9,535	* 283
Depreciation	9,711	78,062	444,058	246,873	165,023	32,163	1,559,556	216,658
Employee benefit programs	* 403	14,470	70,235	18,075	24,581	27,580	190,212	32,380
Insurance	* 2,786	20,528	231,181	105,518	104,249	21,414	1,080,779	210,444
Legal and professional services	6,398	16,246	148,733	62,772	69,659	16,302	496,734	62,397
Meals and entertainment deducted	4,010	4,594	156,831	75,320	45,397	36,115	249,687	29,862
Mortgage interest	* 191	* 7,276	72,173	27,216	43,586	1,372	524,320	88,151
Other interest paid on business indebtedness	* 572	19,233	175,560	68,392	92,172	14,995	673,750	179,874
Office expenses	12,356	15,262	210,500	114,197	57,911	38,391	702,651	96,003
Pension and profit-sharing plans	* 11	* 424	17,850	10,373	6,134	1,343	37,735	5,479
Rent paid on machinery and equipment	* 973	12,530	149,952	100,322	34,497	15,133	426,059	21,760
Rent paid on other business property	* 14,694	45,353	567,335	297,654	189,187	80,494	4,100,576	379,878
Repairs	* 3,618	23,765	191,384	101,944	82,679	6,762	874,620	215,019
Supplies	* 10,881	60,773	436,321	232,743	179,863	23,715	1,612,612	130,851
Salaries and wages	* 6,471	150,143	1,073,567	521,741	462,591	89,236	6,358,329	808,693
Taxes paid	* 3,303	50,504	245,328	121,368	109,548	14,412	2,064,865	346,961
Travel	16,455	12,462	437,870	201,754	147,960	88,156	715,536	75,440
Utilities	11,489	35,524	353,708	167,878	144,799	41,031	2,323,208	240,121
Other business deductions	74,276	84,309	1,534,423	625,078	677,733	231,613	5,764,580	733,642
Home office business deductions, total	* 7,656	16,508	144,866	69,305	39,861	35,701	414,399	10,677
Depreciation, Form 8829 [3]	* 500	* 3,680	16,428	10,078	3,913	2,436	42,897	700
Casualty loss, Form 8829 [3]	0	0	* 64	* 64	0	0	* 7,284	0
Excess—casualty depreciations, Form 8829 [3]	0	* 1,628	* 1,379	* 381	* 999	0	16,788	* 451
<b>Net income [1,2]</b>	<b>188,539</b>	<b>563,000</b>	<b>6,009,042</b>	<b>2,492,538</b>	<b>2,094,787</b>	<b>1,421,717</b>	<b>17,883,396</b>	<b>1,998,862</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	* 2,715	7,974	41,727	16,526	15,200	10,002	246,651	19,664
Business receipts	* 11,584	48,382	319,078	127,717	117,528	73,833	1,225,326	152,081
Business deductions	* 2,748	* 10,392	25,118	13,270	* 7,466	* 4,382	242,989	28,960
Net income	* 8,836	37,990	293,960	114,447	110,062	69,451	982,337	123,122

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Retail trade—continued							
	Furniture and home furnishing stores	Electronic and appliance stores	Building material and garden equipment and supplies dealers	Food and beverage stores	Health and personal care stores	Gasoline stations	Clothing and accessories stores	Sporting goods, hobby, book, and music stores
	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>48,991</b>	<b>35,679</b>	<b>51,802</b>	<b>82,127</b>	<b>145,056</b>	<b>18,245</b>	<b>140,659</b>	<b>110,577</b>
<b>Business receipts, total [1]</b>	<b>5,179,294</b>	<b>4,053,726</b>	<b>8,805,474</b>	<b>26,901,682</b>	<b>8,884,316</b>	<b>25,622,478</b>	<b>10,622,326</b>	<b>7,325,799</b>
Income from sales and operations [1]	5,090,349	4,005,653	8,748,575	26,419,316	8,710,583	25,409,140	10,491,602	7,290,427
Other business income	88,945	48,073	56,899	482,365	173,733	213,339	130,724	35,373
<b>Business deductions, total [1,2]</b>	<b>4,887,177</b>	<b>3,893,542</b>	<b>8,142,318</b>	<b>26,068,128</b>	<b>8,169,627</b>	<b>25,438,559</b>	<b>10,134,709</b>	<b>7,277,859</b>
Cost of sales and operations, total	2,809,630	2,260,074	5,487,897	19,589,570	5,515,778	22,360,230	5,972,632	4,661,497
Inventory, beginning of year	667,323	363,820	1,081,797	1,955,652	801,064	599,314	2,288,164	1,818,127
Cost of labor	198,432	73,766	258,901	214,002	* 28,028	371,941	34,391	48,179
Purchases	2,387,578	1,764,154	4,355,223	17,634,186	5,215,261	20,836,545	5,441,402	4,331,732
Materials and supplies	208,225	181,715	408,480	803,034	156,807	673,193	406,355	215,432
Other costs	73,017	221,324	405,186	716,631	98,854	449,804	184,832	159,261
Inventory, end of year	724,944	344,704	1,021,690	1,733,936	784,235	570,568	2,382,512	1,911,235
Advertising expenses	174,174	75,588	107,284	122,161	146,965	35,545	213,859	147,276
Car and truck expenses	195,227	93,147	199,709	252,072	220,334	59,325	207,236	176,795
Commissions	30,027	30,673	31,510	59,657	51,559	45,198	44,685	50,333
Contract labor	102,955	93,945	146,742	82,107	49,328	68,156	34,304	36,109
Depletion	0	0	0	* 405	* 62	* 276	* 3	* 957
Depreciation	61,144	87,699	185,417	241,842	99,625	186,223	155,746	136,898
Employee benefit programs	8,773	17,732	11,671	26,211	18,713	11,775	13,053	7,656
Insurance	54,900	46,107	123,409	189,329	52,681	100,453	102,286	62,090
Legal and professional services	24,520	20,698	38,369	86,257	50,937	40,638	66,861	40,412
Meals and entertainment deducted	10,625	5,983	11,884	8,689	28,724	2,239	21,710	20,796
Mortgage interest	45,329	20,045	74,485	106,549	31,503	116,177	35,253	29,127
Other interest paid on business indebtedness	27,512	42,236	72,981	103,184	43,789	83,304	80,733	52,933
Office expenses	26,014	34,922	47,183	53,196	65,153	16,444	95,116	54,602
Pension and profit-sharing plans	* 782	* 572	1,722	3,785	8,436	740	5,147	* 1,083
Rent paid on machinery and equipment	32,369	20,273	28,685	106,478	78,512	36,983	85,110	8,302
Rent paid on other business property	318,225	149,007	102,268	780,588	273,327	300,219	919,302	399,846
Repairs	43,410	26,471	64,665	211,584	46,666	109,136	65,962	35,381
Supplies	71,089	89,350	110,166	300,735	176,287	54,889	155,707	88,824
Salaries and wages	233,082	334,406	595,132	1,575,641	507,268	730,016	682,802	387,925
Taxes paid	111,643	107,731	158,319	424,374	92,528	279,962	248,428	142,623
Travel	35,678	13,644	18,671	32,344	62,447	2,132	68,278	64,848
Utilities	127,296	108,963	155,115	662,712	129,397	285,129	237,114	167,348
Other business deductions	317,727	188,627	339,951	1,029,587	375,161	509,470	568,625	451,002
Home office business deductions, total	20,077	23,136	27,441	8,707	37,821	3,900	41,823	47,619
Depreciation, Form 8829 [3]	2,845	* 3,297	2,323	* 722	7,476	* 88	5,128	5,268
Casualty loss, Form 8829 [3]	0	0	0	0	* 15,093	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 2,326	* 4,889	* 892	* 1,201	20,933	* 9	5,573	17,314
<b>Net income less deficit [1,2]</b>	<b>292,420</b>	<b>160,183</b>	<b>663,491</b>	<b>833,826</b>	<b>715,129</b>	<b>183,671</b>	<b>488,313</b>	<b>48,541</b>
Net income [1,2]	525,237	360,288	828,515	1,326,676	1,170,397	400,038	1,122,003	577,132
Deficit [2]	-232,817	-200,105	-165,024	-492,850	-455,267	-216,368	-633,691	-528,591

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Retail trade—continued							
	Furniture and home furnishing stores	Electronic and appliance stores	Building material and garden equipment and supplies dealers	Food and beverage stores	Health and personal care stores	Gasoline stations	Clothing and accessories stores	Sporting goods, hobby, book, and music stores
	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns [1]	30,445	21,685	33,506	57,960	60,487	12,283	78,459	45,880
Business receipts, total [1]	3,785,404	3,172,697	7,425,178	22,600,203	7,895,494	18,274,250	8,458,131	4,839,994
Income from sales and operations [1]	3,736,060	3,131,104	7,385,784	22,156,705	7,804,471	18,104,077	8,383,884	4,821,520
Other business income	49,345	41,593	39,394	443,498	91,024	170,172	74,248	18,474
Business deductions, total [1,2]	3,260,168	2,812,408	6,596,711	21,273,748	6,725,098	17,874,211	7,336,139	4,263,329
Cost of sales and operations, total	1,899,643	1,780,188	4,546,727	16,387,673	4,934,454	15,820,880	4,582,983	2,891,642
Inventory, beginning of year	412,388	257,122	830,274	1,456,587	552,816	374,897	1,477,739	1,034,403
Cost of labor	170,838	* 71,218	197,736	158,189	* 17,119	285,794	22,629	* 6,083
Purchases	1,598,580	1,339,190	3,600,616	14,904,624	4,727,352	14,698,292	4,189,301	2,754,085
Materials and supplies	129,502	160,360	352,078	697,528	141,376	553,430	338,763	123,438
Other costs	56,182	217,406	358,806	590,365	82,538	283,856	122,646	98,805
Inventory, end of year	467,847	265,108	792,784	1,419,620	586,748	375,390	1,568,096	1,125,172
Advertising expenses	105,949	51,953	82,315	92,495	71,514	20,791	128,689	58,555
Car and truck expenses	146,779	53,267	140,412	170,929	91,246	42,884	135,017	84,832
Commissions	14,083	10,124	29,840	38,961	50,260	27,653	19,243	45,672
Contract labor	70,711	28,051	128,964	49,345	37,044	56,574	27,795	15,686
Depletion	0	0	0	* 405	0	* 8	0	* 957
Depreciation	34,376	59,017	131,008	149,484	62,067	116,313	73,285	59,313
Employee benefit programs	* 2,086	14,091	9,928	21,813	17,475	8,872	9,481	6,361
Insurance	40,701	28,539	91,907	143,465	40,410	70,465	70,917	34,063
Legal and professional services	16,050	12,135	31,524	58,416	39,991	25,824	39,510	22,831
Meals and entertainment deducted	6,527	4,875	8,743	2,906	14,622	1,717	12,063	10,538
Mortgage interest	36,383	11,775	56,953	66,816	26,346	54,035	17,381	10,957
Other interest paid on business indebtedness	18,163	31,795	53,253	63,071	34,214	48,072	47,517	19,207
Office expenses	17,153	16,787	33,125	37,509	40,481	11,605	58,147	31,715
Pension and profit-sharing plans	* 718	* 572	1,722	2,667	8,337	* 616	4,609	* 1,083
Rent paid on machinery and equipment	16,313	10,876	22,113	100,135	60,257	22,646	40,167	2,155
Rent paid on other business property	179,745	75,644	82,775	618,658	225,477	224,359	640,584	200,354
Repairs	27,248	22,373	42,226	162,575	29,480	73,734	42,979	13,889
Supplies	42,491	69,726	82,008	249,936	72,632	30,657	79,127	34,090
Salaries and wages	154,003	233,824	480,834	1,200,118	429,966	483,523	490,568	234,705
Taxes paid	77,381	89,792	117,706	328,326	72,256	186,210	178,677	72,256
Travel	19,644	9,054	15,119	18,982	30,708	1,026	44,352	31,094
Utilities	81,058	71,092	117,504	520,555	94,474	198,090	148,525	93,767
Other business deductions	229,976	117,423	267,745	774,900	219,234	343,842	411,285	263,427
Home office business deductions, total	18,016	* 6,926	20,614	3,242	15,530	* 3,815	20,305	18,604
Depreciation, Form 8829 [3]	* 2,620	* 1,456	1,878	* 152	* 3,009	* 79	2,323	* 1,821
Casualty loss, Form 8829 [3]	0	0	0	0	* 620	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 1,777	* 2,805	0	* 1	* 2,220	0	* 359	* 1,494
<b>Net income [1,2]</b>	<b>525,237</b>	<b>360,288</b>	<b>828,515</b>	<b>1,326,676</b>	<b>1,170,397</b>	<b>400,038</b>	<b>1,122,003</b>	<b>577,132</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	* 6,585	* 2,582	* 2,279	8,534	15,008	0	9,668	6,704
Business receipts	* 32,254	* 5,935	* 8,935	83,248	96,306	0	80,634	23,566
Business deductions	* 4,969	* 2,512	* 1,643	* 10,365	6,625	0	* 12,932	* 5,578
Net income	* 27,285	* 3,422	* 7,291	72,883	89,680	0	67,702	17,988

Footnotes at end of table.



# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Retail trade—continued			Transportation and warehousing				
	General merchandise stores	Miscellaneous store retailers	Nonstore retailers	Total	Air and rail transportation	Water transportation	General freight trucking, local	General freight trucking, long-distance and specialized freight trucking
	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>28,886</b>	<b>570,299</b>	<b>1,057,997</b>	<b>1,154,819</b>	<b>12,672</b>	<b>6,840</b>	<b>241,130</b>	<b>401,096</b>
<b>Business receipts, total [1]</b>	<b>2,969,973</b>	<b>33,568,539</b>	<b>23,907,848</b>	<b>82,138,420</b>	<b>1,654,862</b>	<b>541,453</b>	<b>20,571,116</b>	<b>42,181,814</b>
Income from sales and operations [1]	2,949,634	33,230,771	23,436,405	80,716,160	1,526,341	539,014	20,346,882	41,368,293
Other business income	20,339	337,768	471,443	1,422,259	128,521	2,439	224,235	813,520
<b>Business deductions, total [1,2]</b>	<b>2,916,923</b>	<b>30,721,628</b>	<b>21,913,357</b>	<b>71,219,218</b>	<b>1,780,253</b>	<b>410,154</b>	<b>17,840,579</b>	<b>37,526,365</b>
Cost of sales and operations, total	1,858,955	17,892,931	10,998,371	8,366,170	583,302	91,589	2,288,649	3,754,605
Inventory, beginning of year	414,834	5,292,115	1,885,557	203,956	49,178	* 238	17,029	75,271
Cost of labor	* 3,054	469,265	208,553	2,388,100	19,558	* 6,680	841,433	1,083,919
Purchases	1,667,737	15,556,886	9,807,568	1,910,019	119,745	* 665	294,117	971,219
Materials and supplies	67,739	1,324,301	515,330	845,693	111,657	* 1,337	291,442	161,283
Other costs	156,880	752,551	727,084	3,217,671	351,940	* 82,988	876,121	1,495,043
Inventory, end of year	451,289	5,502,185	2,145,720	199,270	68,777	* 319	31,493	32,130
Advertising expenses	24,640	498,850	501,981	204,060	2,480	1,696	29,109	56,282
Car and truck expenses	78,419	1,456,040	2,640,044	21,152,787	19,084	5,267	4,908,582	11,991,178
Commissions	5,559	281,853	285,698	920,605	7,570	* 1,689	284,781	448,698
Contract labor	17,754	204,507	180,539	3,845,383	22,616	3,921	1,120,603	1,980,249
Depletion	* 34	7,965	* 343	11,300	249	* [4]	* 2,969	* 8,081
Depreciation	73,156	553,558	531,302	5,751,854	373,949	98,790	1,571,254	2,994,201
Employee benefit programs	* 5,761	60,830	29,067	83,083	4,375	* 3,310	29,511	34,240
Insurance	31,819	340,388	146,611	3,056,181	37,929	10,889	909,861	1,551,239
Legal and professional services	8,757	178,426	163,165	295,448	25,719	10,529	59,449	138,037
Meals and entertainment deducted	3,022	111,241	155,752	1,721,508	17,298	2,719	207,951	1,414,084
Mortgage interest	31,939	196,936	84,327	342,364	50,033	* 691	84,933	109,210
Other interest paid on business indebtedness	13,307	239,209	123,496	869,270	59,623	24,100	230,616	449,238
Office expenses	10,422	285,218	327,740	353,665	7,198	3,943	85,630	156,711
Pension and profit-sharing plans	* 3	8,415	5,755	6,031	1,804	* 28	* 1,588	1,671
Rent paid on machinery and equipment	20,644	167,279	66,551	2,211,303	13,005	* 2,948	383,866	1,063,719
Rent paid on other business property	152,046	1,741,870	439,455	539,256	23,055	11,741	107,866	174,809
Repairs	14,034	237,223	140,085	4,591,730	79,138	16,014	1,294,596	2,767,200
Supplies	30,138	722,749	735,768	1,237,324	10,846	2,351	327,083	676,078
Salaries and wages	164,054	1,843,229	592,430	2,822,237	45,368	27,060	967,878	1,114,491
Taxes paid	62,770	622,171	242,575	1,275,387	13,305	4,678	373,670	684,691
Travel	16,106	289,523	472,893	685,615	42,157	2,524	150,423	372,153
Utilities	73,301	757,468	464,284	993,959	9,844	2,210	245,979	441,849
Other business deductions	214,661	1,796,711	2,122,866	9,516,004	324,193	81,243	2,080,430	5,004,965
Home office business deductions, total	* 5,168	166,494	353,852	217,205	5,383	* 182	59,607	93,540
Depreciation, Form 8829 [3]	0	20,658	49,178	15,864	* 448	* 6	4,324	6,185
Casualty loss, Form 8829 [3]	0	* 3,552	* 4,133	* 3,266	0	0	0	* 278
Excess—casualty depreciations, Form 8829 [3]	0	34,095	88,474	6,735	* 176	0	* 914	* 982
<b>Net income less deficit [1,2]</b>	<b>53,049</b>	<b>2,867,432</b>	<b>2,043,966</b>	<b>10,963,923</b>	<b>-102,235</b>	<b>131,405</b>	<b>2,731,105</b>	<b>4,655,023</b>
Net income [1,2]	263,673	4,691,208	4,619,366	13,663,909	333,653	211,584	3,286,407	5,621,941
Deficit [2]	-210,623	-1,823,775	-2,575,400	-2,699,986	-435,889	-80,179	-555,302	-966,918

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Retail trade—continued			Transportation and warehousing				
	General merchandise stores	Miscellaneous store retailers	Nonstore retailers	Total	Air and rail transportation	Water transportation	General freight trucking, local	General freight trucking, long-distance and specialized freight trucking
	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>16,748</b>	<b>322,913</b>	<b>487,248</b>	<b>931,017</b>	<b>8,987</b>	<b>5,140</b>	<b>192,327</b>	<b>322,988</b>
<b>Business receipts, total [1]</b>	<b>2,473,905</b>	<b>26,519,335</b>	<b>19,294,949</b>	<b>67,266,486</b>	<b>1,059,025</b>	<b>426,465</b>	<b>16,424,743</b>	<b>34,605,893</b>
Income from sales and operations [1]	2,460,478	26,295,605	19,061,707	66,071,411	960,592	426,395	16,271,433	33,896,013
Other business income	13,427	223,730	233,242	1,195,074	98,432	* 69	153,310	709,880
<b>Business deductions, total [1,2]</b>	<b>2,210,232</b>	<b>21,822,800</b>	<b>14,676,578</b>	<b>53,606,158</b>	<b>726,569</b>	<b>214,881</b>	<b>13,138,319</b>	<b>28,983,526</b>
Cost of sales and operations, total	1,581,361	13,635,329	8,279,767	6,239,246	351,642	* 81,816	1,435,175	3,131,982
Inventory, beginning of year	293,602	2,909,843	981,605	94,341	* 12,243	0	* 8,202	17,162
Cost of labor	* 3,054	372,771	177,712	1,865,940	* 4,706	0	549,936	931,841
Purchases	1,415,008	11,761,292	7,244,333	1,691,799	* 23,434	* 134	282,113	925,538
Materials and supplies	* 28,726	1,096,533	392,388	663,619	* 70,774	0	237,245	89,440
Other costs	* 153,488	581,701	583,218	2,032,357	* 252,138	* 81,682	380,050	1,186,710
Inventory, end of year	312,517	3,086,810	1,099,489	108,810	* 11,653	0	* 22,371	18,709
Advertising expenses	16,675	331,632	334,351	155,439	767	* 286	24,292	44,837
Car and truck expenses	53,361	935,523	1,509,839	16,354,046	4,546	* 2,569	3,726,289	9,430,948
Commissions	* 3,565	195,564	192,567	719,002	3,552	0	205,329	343,861
Contract labor	* 4,132	164,038	133,531	2,979,578	15,715	* 445	934,560	1,363,234
Depletion	0	7,822	* 60	8,542	* 100	* [4]	* 2,961	* 5,480
Depreciation	25,070	330,160	302,807	3,656,712	26,646	42,393	1,050,249	2,130,455
Employee benefit programs	* 3,511	38,900	25,315	55,458	* 2,327	* 3,030	19,906	23,503
Insurance	24,627	223,774	101,467	2,276,873	8,068	* 4,239	671,108	1,181,767
Legal and professional services	6,509	104,592	76,955	203,217	14,851	* 1,114	41,024	106,557
Meals and entertainment deducted	2,142	66,657	89,036	1,490,271	15,910	* 675	166,999	1,244,319
Mortgage interest	21,714	105,279	28,531	218,352	* 1,835	* 328	64,291	81,240
Other interest paid on business indebtedness	4,671	112,793	61,118	513,527	8,272	* 5,027	107,210	325,063
Office expenses	6,444	170,911	182,771	257,004	5,982	* 1,890	68,291	115,171
Pension and profit-sharing plans	0	7,264	4,666	3,329	* 1,668	0	* 70	868
Rent paid on machinery and equipment	18,456	65,567	45,616	1,759,229	2,159	* 2,849	324,804	787,511
Rent paid on other business property	120,464	1,051,980	300,659	408,006	8,451	* 180	79,201	141,820
Repairs	7,294	144,967	92,835	3,491,366	17,705	* 3,126	1,010,295	2,143,413
Supplies	14,056	468,379	338,658	923,427	8,136	* 350	242,778	514,923
Salaries and wages	115,715	1,256,674	469,706	1,925,075	16,750	* 13,192	685,292	726,802
Taxes paid	47,202	389,590	158,508	946,339	4,401	* 1,549	269,827	513,959
Travel	10,060	181,437	278,620	539,599	32,420	* 830	136,711	283,625
Utilities	49,529	466,569	241,922	766,067	5,880	* 658	190,312	346,151
Other business deductions	70,946	1,191,747	1,140,412	7,374,467	163,124	48,111	1,590,138	3,869,510
Home office business deductions, total	* 2,273	115,939	178,457	192,547	* 4,933	* 182	57,513	81,380
Depreciation, Form 8829 [3]	0	8,828	20,030	12,772	* 382	* 6	4,188	5,569
Casualty loss, Form 8829 [3]	0	* 3,552	* 3,112	* 3,266	0	0	0	* 278
Excess—casualty depreciations, Form 8829 [3]	0	* 2,669	5,012	* 373	0	0	* 373	0
<b>Net income [1,2]</b>	<b>263,673</b>	<b>4,691,208</b>	<b>4,619,366</b>	<b>13,663,909</b>	<b>333,653</b>	<b>211,584</b>	<b>3,286,407</b>	<b>5,621,941</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	* 2,143	79,965	93,521	159,361	* 2,826	* 1,026	30,323	34,842
Business receipts	* 7,628	352,507	382,233	1,353,760	* 46,800	* 4,621	297,904	404,845
Business deductions	* 455	60,544	108,406	149,490	* 730	* 42	33,695	45,146
Net income	* 7,173	291,963	273,827	1,204,270	* 46,071	* 4,579	264,210	359,699

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Transportation and warehousing—continued							
	Urban transit	Interurban and rural bus transportation	Taxi and limousine service	School, employee, and charter bus industry	Other transit and ground passenger transportation	Pipeline transportation	Scenic and sightseeing transportation	Support activities for transportation (including motor vehicle towing)
	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	0	6,933	165,333	19,583	22,932	* 658	11,945	50,663
<b>Business receipts, total [1]</b>	0	46,014	4,995,671	884,658	522,454	* 75,754	290,148	3,469,136
Income from sales and operations [1]	0	46,004	4,923,111	883,863	515,216	* 75,754	282,353	3,366,603
Other business income	0	* 10	72,560	* 795	* 7,237	0	* 7,795	102,533
<b>Business deductions, total [1,2]</b>	0	* 26,884	3,718,723	688,665	471,459	* 95,625	320,334	3,057,821
Cost of sales and operations, total	0	0	71,142	* 126,016	* 16,911	* 13,337	* 11,594	813,173
Inventory, beginning of year	0	0	* 1,308	* 9,724	* 4	0	* 79	44,273
Cost of labor	0	0	* 13,100	* 7,456	0	* 228	0	* 110,387
Purchases	0	0	* 2,157	0	* 7,427	* 18,526	* 391	292,941
Materials and supplies	0	0	* 2,419	* 106,929	* 941	* 73	* 1,132	* 103,943
Other costs	0	0	* 52,486	* 8,342	* 8,614	0	* 10,093	308,428
Inventory, end of year	0	0	* 327	* 6,435	* 74	* 5,489	* 101	46,800
Advertising expenses	0	* 331	49,776	1,688	1,609	0	9,071	31,468
Car and truck expenses	0	* 4,131	805,065	85,945	139,634	* 30,068	35,211	426,723
Commissions	0	* 3,150	116,655	* 25,702	* 173	* 1,000	* 2,675	* 14,243
Contract labor	0	0	34,386	* 18,663	* 12,798	0	1,167	178,036
Depletion	0	0	0	0	0	* [4]	0	0
Depreciation	0	* 1,562	165,299	56,243	22,935	* 23,006	66,319	253,785
Employee benefit programs	0	0	* 2,004	* 2,138	* 1,283	0	* 164	5,122
Insurance	0	0	234,104	37,906	21,962	* 2,540	20,679	127,501
Legal and professional services	0	* 986	15,387	2,724	2,391	* 1,882	2,239	13,420
Meals and entertainment deducted	0	* 968	13,262	2,287	3,287	* 248	925	23,704
Mortgage interest	0	0	43,869	* 13,077	* 57	0	* 3,129	19,660
Other interest paid on business indebtedness	0	* 9	28,291	20,598	* 5,087	* 1,181	6,993	25,304
Office expenses	0	* 1,579	20,247	6,807	5,612	* 40	3,542	24,990
Pension and profit-sharing plans	0	0	* 64	* 34	* 173	0	* 92	561
Rent paid on machinery and equipment	0	0	554,426	* 23,293	* 610	0	* 7,376	68,963
Rent paid on other business property	0	0	75,891	3,715	* 4,513	0	16,768	51,881
Repairs	0	* 150	168,498	31,720	15,220	* 13,315	19,432	106,298
Supplies	0	* 690	51,591	25,441	6,250	* 674	17,557	58,928
Salaries and wages	0	* 161	158,207	57,124	* 53,621	0	13,043	275,263
Taxes paid	0	* 15	74,106	12,819	5,300	0	6,421	64,454
Travel	0	* 222	24,145	20,266	* 2,276	* 232	11,907	16,709
Utilities	0	* 1,677	83,793	13,174	10,587	* 10	5,928	76,294
Other business deductions	0	* 4,362	902,131	93,712	137,662	* 8,077	54,489	372,988
Home office business deductions, total	0	* 6,892	7,931	* 537	* 575	* 15	* 2,342	3,789
Depreciation, Form 8829 [3]	0	* 1,492	* 1,457	* 10	0	0	* 539	* 348
Casualty loss, Form 8829 [3]	0	* 262	* 140	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	0	* 1,215	* 1,087	0	0	0	0	* 146
<b>Net income less deficit [1,2]</b>	0	19,131	1,293,614	197,161	50,994	* -19,872	-28,030	411,338
Net income [1,2]	0	* 22,773	1,427,655	213,044	109,296	* 1	46,401	557,750
Deficit [2]	0	* -3,643	-134,041	-15,883	-58,302	* -19,873	-74,432	-146,412

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Transportation and warehousing—continued							
	Urban transit	Interurban and rural bus transportation	Taxi and limousine service	School, employee, and charter bus industry	Other transit and ground passenger transportation	Pipeline transportation	Scenic and sightseeing transportation	Support activities for transportation (including motor vehicle towing)
	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns [1]	0	* 4,963	146,455	17,495	** 14,250	**	5,760	38,244
<b>Business receipts, total [1]</b>	0	* 40,273	4,524,955	781,706	** 350,459	**	141,416	2,643,274
Income from sales and operations [1]	0	* 40,263	4,451,651	781,303	** 350,290	**	141,188	2,592,666
Other business income	0	* 10	73,304	* 402	** 169	**	* 228	50,608
<b>Business deductions, total [1,2]</b>	0	* 17,500	3,100,014	568,662	** 241,162	**	95,015	2,085,547
Cost of sales and operations, total	0	0	* 45,092	* 122,586	** 10,551	**	* 7,611	477,420
Inventory, beginning of year	0	0	0	* 9,694	** 4	**	0	41,773
Cost of labor	0	0	* 5,350	* 7,456	** 0	**	0	* 70,092
Purchases	0	0	* 324	0	** 1,067	**	0	265,838
Materials and supplies	0	0	* 2,092	* 106,929	** 941	**	0	* 91,671
Other costs	0	0	* 37,326	* 4,914	** 8,614	**	* 7,611	53,219
Inventory, end of year	0	0	0	* 6,408	** 74	**	0	45,172
Advertising expenses	0	0	36,280	* 1,253	** 172	**	* 2,401	27,592
Car and truck expenses	0	* 2,065	647,488	68,423	** 63,188	**	* 12,818	280,957
Commissions	0	* 2,264	110,318	* 25,581	** 5	**	* 2,450	* 12,473
Contract labor	0	0	24,191	* 18,405	** 846	**	0	170,864
Depletion	0	0	0	0	** [4]	**	0	0
Depreciation	0	* 1,562	114,470	43,653	** 12,584	**	* 8,685	139,629
Employee benefit programs	0	0	* 209	* 1,762	** 579	**	* 11	3,701
Insurance	0	0	200,481	27,291	** 10,408	**	* 5,849	78,644
Legal and professional services	0	* 460	9,473	1,951	** 392	**	* 441	7,978
Meals and entertainment deducted	0	* 918	12,756	* 1,523	** 115	**	* 395	20,446
Mortgage interest	0	0	43,869	* 10,601	** 57	**	* 2,463	9,639
Other interest paid on business indebtedness	0	* 9	19,066	13,641	** 2,868	**	0	19,153
Office expenses	0	* 1,029	10,361	6,383	** 165	**	* 1,776	15,564
Pension and profit-sharing plans	0	0	* 5	0	** 166	**	0	* 546
Rent paid on machinery and equipment	0	0	499,909	* 23,156	** 112	**	* 31	38,609
Rent paid on other business property	0	0	63,440	* 2,643	** 207	**	* 6,721	43,942
Repairs	0	* 2	147,739	26,093	** 5,298	**	* 3,504	61,490
Supplies	0	* 690	35,191	23,217	** 1,652	**	* 7,890	39,132
Salaries and wages	0	* 161	102,519	* 36,684	** 19,757	**	* 93	227,668
Taxes paid	0	* 15	61,270	10,451	** 1,127	**	* 2,701	52,417
Travel	0	0	19,182	* 17,239	** 518	**	* 3,880	7,610
Utilities	0	* 1,036	73,131	11,378	** 2,828	**	* 1,829	52,521
Other business deductions	0	* 2,305	800,305	67,176	** 106,056	**	* 19,853	289,763
Home office business deductions, total	0	* 4,983	* 4,816	* 537	** 575	**	* 2,342	* 3,223
Depreciation, Form 8829 [3]	0	* 682	* 445	* 10	** 0	**	* 539	* 202
Casualty loss, Form 8829 [3]	0	* 262	* 140	0	** 0	**	0	0
Excess—casualty depreciations, Form 8829 [3]	0	0	0	0	** 0	**	0	0
<b>Net income [1,2]</b>	0	* 22,773	1,427,655	213,044	** 109,297	**	46,401	557,750
<b>Returns with Schedule C-EZ:</b>								
Number of returns	0	* 999	23,962	* 7,116	* 3,842	0	* 1,291	11,825
Business receipts	0	* 300	190,507	* 37,824	* 7,836	0	* 7,907	113,386
Business deductions	0	0	18,453	* 7,035	* 934	0	* 1,270	* 4,565
Net income	0	* 300	172,054	* 30,788	* 6,902	0	* 6,637	108,821

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Transportation and warehousing—continued		Information					
	Couriers and messengers	Warehousing and storage facilities	Total	Publishing industries (except Internet)	Motion picture and sound recording	Broadcasting (except Internet) and telecommunications	Internet publishing and broadcasting	Internet service providers, Web search portals, and data processing
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>211,571</b>	<b>3,464</b>	<b>351,710</b>	<b>74,591</b>	<b>107,185</b>	<b>43,023</b>	<b>9,242</b>	<b>117,669</b>
<b>Business receipts, total [1]</b>	<b>6,492,314</b>	<b>413,027</b>	<b>10,208,162</b>	<b>2,191,455</b>	<b>3,124,813</b>	<b>2,184,904</b>	<b>238,069</b>	<b>2,468,921</b>
Income from sales and operations [1]	6,432,289	410,438	10,100,927	2,166,158	3,124,018	2,172,112	236,770	2,401,869
Other business income	60,025	2,590	107,235	25,296	795	12,792	* 1,299	67,052
<b>Business deductions, total [1,2]</b>	<b>4,934,243</b>	<b>348,112</b>	<b>7,656,332</b>	<b>1,678,545</b>	<b>2,476,897</b>	<b>1,808,728</b>	<b>217,821</b>	<b>1,474,340</b>
Cost of sales and operations, total	544,849	51,003	1,827,914	518,593	352,284	642,061	* 11,642	303,334
Inventory, beginning of year	* 4,221	* 2,630	226,629	112,939	60,244	* 7,592	* 236	45,618
Cost of labor	298,058	* 7,281	114,926	* 54,785	* 3,897	* 9,536	* 3,001	* 43,707
Purchases	* 161,444	* 41,389	1,014,823	177,872	201,780	498,184	* 4,806	132,181
Materials and supplies	63,970	* 567	163,666	59,075	28,791	* 4,231	* 2,112	69,458
Other costs	* 18,749	* 4,868	531,878	222,723	115,393	138,889	* 1,930	52,944
Inventory, end of year	* 1,593	* 5,731	224,009	108,799	57,820	* 16,372	* 443	40,574
Advertising expenses	18,045	2,505	300,398	24,140	80,245	57,428	31,858	106,727
Car and truck expenses	2,694,335	7,565	615,523	139,249	192,183	132,818	3,247	148,027
Commissions	* 8,808	* 5,461	118,688	16,354	21,318	30,530	* 14,629	35,856
Contract labor	426,444	46,500	333,315	34,892	117,464	108,817	* 20,639	51,502
Depletion	0	0	* 1,035	* 16	* 985	* 28	0	* 6
Depreciation	104,788	19,722	365,258	31,645	217,648	61,833	6,443	47,689
Employee benefit programs	* 236	703	30,967	11,007	10,363	5,546	* 962	3,090
Insurance	95,085	6,485	65,722	18,164	23,327	13,721	1,381	9,130
Legal and professional services	19,383	3,303	137,869	28,661	57,365	19,770	1,877	30,197
Meals and entertainment deducted	34,362	413	97,875	13,685	45,924	9,990	4,551	23,725
Mortgage interest	* 5,392	* 12,313	40,957	5,536	24,016	* 8,258	* 3	* 3,144
Other interest paid on business indebtedness	10,379	7,850	54,973	13,990	13,245	19,462	* 679	7,597
Office expenses	34,207	3,159	166,973	42,092	60,329	20,701	7,216	36,635
Pension and profit-sharing plans	* 1	* 14	5,722	* 3,304	843	* 706	* 184	* 686
Rent paid on machinery and equipment	87,947	5,151	114,680	7,277	39,651	47,505	* 629	19,618
Rent paid on other business property	27,044	41,975	260,729	52,075	96,848	58,871	20,649	32,285
Repairs	75,167	4,981	55,395	18,586	22,219	10,253	* 463	3,874
Supplies	52,430	7,405	258,246	56,562	97,189	51,990	2,627	49,878
Salaries and wages	81,960	28,060	563,461	193,431	152,915	147,632	* 19,285	50,199
Taxes paid	28,494	7,435	84,348	27,092	22,003	20,056	2,235	12,962
Travel	34,797	7,804	275,456	39,119	132,671	30,680	12,601	60,384
Utilities	90,602	12,013	249,840	37,536	90,625	45,502	7,513	68,664
Other business deductions	385,603	66,148	1,350,522	276,807	506,313	246,005	43,336	278,061
Home office business deductions, total	36,267	* 144	235,715	49,219	87,872	13,785	* 3,172	81,667
Depreciation, Form 8829 [3]	1,015	* 41	25,875	5,310	14,330	* 1,375	* 402	4,459
Casualty loss, Form 8829 [3]	* 2,586	0	* 203	0	0	0	0	* 203
Excess—casualty depreciations, Form 8829 [3]	* 2,215	0	35,231	* 1,076	* 31,993	* 5	* 4	* 2,153
<b>Net income less deficit [1,2]</b>	<b>1,559,154</b>	<b>65,136</b>	<b>2,562,634</b>	<b>521,802</b>	<b>648,122</b>	<b>377,497</b>	<b>20,248</b>	<b>994,965</b>
Net income [1,2]	1,755,951	77,452	3,652,581	716,377	1,164,090	518,816	73,592	1,179,707
Deficit [2]	-196,797	-12,316	-1,089,947	-194,575	-515,968	-141,318	-53,344	-184,742

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Transportation and warehousing—continued		Information					
	Couriers and messengers	Warehousing and storage facilities	Total	Publishing industries (except Internet)	Motion picture and sound recording	Broadcasting (except Internet) and tele-communications	Internet publishing and broadcasting	Internet service providers, Web search portals, and data processing
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>171,843</b>	<b>2,565</b>	<b>233,984</b>	<b>50,942</b>	<b>60,910</b>	<b>33,532</b>	<b>4,161</b>	<b>84,439</b>
<b>Business receipts, total [1]</b>	<b>5,939,044</b>	<b>329,235</b>	<b>8,605,326</b>	<b>1,752,419</b>	<b>2,590,179</b>	<b>1,785,661</b>	<b>201,167</b>	<b>2,275,899</b>
Income from sales and operations [1]	5,832,500	327,118	8,484,274	1,718,494	2,574,125	1,781,116	201,161	2,209,379
Other business income	106,545	* 2,117	121,051	33,925	16,055	* 4,546	* 5	66,521
<b>Business deductions, total [1,2]</b>	<b>4,183,093</b>	<b>251,872</b>	<b>4,952,745</b>	<b>1,036,042</b>	<b>1,426,089</b>	<b>1,266,846</b>	<b>127,575</b>	<b>1,096,192</b>
Cost of sales and operations, total	529,053	* 46,317	1,364,584	320,830	224,967	546,624	* 2,464	269,700
Inventory, beginning of year	* 2,977	* 2,285	127,905	71,683	25,316	* 1,668	* 236	* 29,002
Cost of labor	* 291,573	* 4,986	78,660	* 22,334	* 3,897	* 8,767	0	* 43,662
Purchases	* 154,961	* 38,390	768,953	127,431	124,615	* 410,988	* 1,003	104,915
Materials and supplies	63,970	* 557	131,114	* 41,230	* 20,587	* 73	* 816	* 68,408
Other costs	* 16,024	* 4,069	378,472	128,997	69,943	127,153	* 852	* 51,526
Inventory, end of year	* 453	* 3,971	120,519	70,845	19,391	* 2,025	* 443	* 27,815
Advertising expenses	16,968	590	227,992	13,983	51,343	42,101	29,111	91,455
Car and truck expenses	2,112,318	2,437	389,360	90,089	94,884	94,177	* 184	110,027
Commissions	* 8,121	* 5,049	74,833	10,540	13,827	* 7,607	* 11,026	31,833
Contract labor	407,864	43,454	261,041	12,548	86,170	95,315	* 20,617	46,390
Depletion	0	0	* 33	0	0	* 28	0	* 6
Depreciation	78,650	7,737	165,672	19,504	96,734	18,597	2,133	28,705
Employee benefit programs	* 236	* 194	20,820	7,731	8,642	* 1,860	* 557	* 2,030
Insurance	84,386	4,634	42,124	13,173	11,868	8,553	* 1,336	7,194
Legal and professional services	17,312	1,664	66,282	8,728	34,592	6,799	774	15,390
Meals and entertainment deducted	25,977	239	60,191	5,742	28,373	7,018	* 109	18,948
Mortgage interest	* 4,029	0	28,842	* 4,688	* 16,524	* 4,565	0	* 3,065
Other interest paid on business indebtedness	7,623	5,594	21,722	6,388	3,509	8,429	* 657	* 2,739
Office expenses	28,044	2,347	121,770	30,250	40,860	16,576	* 2,520	31,565
Pension and profit-sharing plans	* 1	* 5	4,759	* 3,196	804	* 531	* 184	* 43
Rent paid on machinery and equipment	78,321	* 1,769	70,985	5,230	19,019	40,133	* 105	* 6,498
Rent paid on other business property	27,044	34,357	153,702	28,264	64,983	26,672	* 11,260	22,524
Repairs	68,979	3,721	40,996	16,117	15,630	5,737	* 447	3,065
Supplies	44,597	4,871	171,988	46,767	53,110	37,123	* 907	34,081
Salaries and wages	81,960	14,196	344,913	127,358	105,487	70,128	* 12,283	29,657
Taxes paid	26,499	2,122	50,868	17,634	15,809	8,327	* 1,584	7,515
Travel	30,228	7,356	183,139	21,566	92,043	24,987	* 1,076	43,467
Utilities	75,723	4,620	156,575	28,538	55,280	27,619	1,276	43,862
Other business deductions	359,568	58,557	700,283	140,419	220,240	150,995	24,734	163,896
Home office business deductions, total	32,022	* 42	184,683	37,243	60,509	11,564	* 2,232	73,134
Depreciation, Form 8829 [3]	* 734	* 15	14,080	5,028	3,796	* 1,370	* 400	3,485
Casualty loss, Form 8829 [3]	* 2,586	0	* 203	0	0	0	0	* 203
Excess—casualty depreciations, Form 8829 [3]	0	0	* 701	* 687	0	0	0	* 14
<b>Net income [1,2]</b>	<b>1,755,951</b>	<b>77,452</b>	<b>3,652,581</b>	<b>716,377</b>	<b>1,164,090</b>	<b>518,816</b>	<b>73,592</b>	<b>1,179,707</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	40,656	* 654	64,163	17,710	10,538	10,136	0	25,778
Business receipts	240,871	* 959	431,115	113,946	75,761	67,023	0	174,385
Business deductions	37,620	0	44,752	19,515	11,051	* 4,782	0	9,404
Net income	203,250	* 959	386,363	94,431	64,709	62,241	0	164,980

Footnotes at end of table.



# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Finance and insurance							
	Total	Credit intermediation and related activities	Securities, commodity contracts, and other financial investments					
			Total	Investment bankers and securities dealers	Securities brokers	Commodity contracts brokers and dealers	Securities and commodity exchanges	Other financial investment activities (investment advice)
	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>726,002</b>	<b>102,497</b>	<b>181,676</b>	<b>5,320</b>	<b>16,657</b>	<b>4,709</b>	<b>1,409</b>	<b>153,579</b>
<b>Business receipts, total [1]</b>	<b>93,984,377</b>	<b>4,910,013</b>	<b>58,505,410</b>	<b>2,089,698</b>	<b>4,050,726</b>	<b>793,477</b>	<b>688,440</b>	<b>50,883,069</b>
Income from sales and operations [1]	91,208,911	4,794,052	56,616,289	1,715,209	3,816,577	789,466	696,566	49,598,472
Other business income	2,775,466	115,961	1,889,121	374,489	234,149	4,012	* -8,126	1,284,598
<b>Business deductions, total [1,2]</b>	<b>73,827,133</b>	<b>3,856,249</b>	<b>51,525,600</b>	<b>1,725,490</b>	<b>3,193,643</b>	<b>779,017</b>	<b>745,715</b>	<b>45,081,734</b>
Cost of sales and operations, total	33,954,191	743,487	32,396,142	1,238,639	1,859,406	400,620	* 661,434	28,236,043
Inventory, beginning of year	444,681	98,815	305,800	* 16,809	* 11,428	* 2,405	* 515	274,642
Cost of labor	149,300	* 25,536	77,915	* 2,487	* 3,916	* 57,026	0	14,486
Purchases	20,964,183	353,884	20,262,300	979,741	1,130,687	343,550	* 586,411	17,221,910
Materials and supplies	1,941,691	56,808	1,846,274	0	* 17	* 29	0	1,846,227
Other costs	10,847,468	323,183	10,106,176	* 259,782	726,243	1,925	* 75,089	9,043,137
Inventory, end of year	393,133	114,739	202,324	* 20,181	* 12,886	* 4,315	* 581	164,360
Advertising expenses	1,170,583	136,917	219,270	4,302	20,053	4,127	0	190,789
Car and truck expenses	2,899,486	344,709	469,959	5,273	53,133	4,425	* 838	406,290
Commissions	3,413,442	360,120	965,697	12,061	108,443	59,394	* 2,530	783,270
Contract labor	1,082,858	174,079	450,089	* 2,364	89,208	32,561	* 1,888	324,068
Depletion	2,622	* 7	2,133	* 3	* 93	* 179	0	1,858
Depreciation	946,648	129,249	268,233	6,939	24,507	7,059	933	228,795
Employee benefit programs	203,809	5,809	56,321	1,286	12,702	* 493	* 82	41,758
Insurance	562,423	44,873	120,400	5,377	15,640	1,595	* 897	96,892
Legal and professional services	753,489	87,178	363,065	10,981	35,815	6,882	2,172	307,216
Meals and entertainment deducted	537,667	53,639	149,371	3,884	20,914	3,835	* 146	120,591
Mortgage interest	200,212	33,111	70,572	* 890	776	* 258	0	68,647
Other interest paid on business indebtedness	557,340	51,001	347,648	19,509	20,363	7,471	29,879	270,425
Office expenses	1,184,256	99,311	301,990	21,818	27,280	6,211	1,155	245,526
Pension and profit-sharing plans	135,118	2,998	58,100	* 2,035	6,102	* 295	* 403	49,265
Rent paid on machinery and equipment	252,981	40,286	82,269	4,383	18,431	2,715	0	56,741
Rent paid on other business property	1,459,668	122,407	452,478	22,260	40,495	27,667	* 430	361,625
Repairs	297,375	27,871	104,158	2,521	10,349	567	* [4]	90,722
Supplies	598,717	71,855	129,081	2,512	16,368	4,570	* 44	105,588
Salaries and wages	4,575,318	352,742	1,670,039	40,951	158,789	29,079	* 2,579	1,438,642
Taxes paid	600,986	55,288	183,775	7,844	16,531	5,943	* 643	152,814
Travel	847,556	76,216	332,884	15,127	17,530	6,161	* 615	293,450
Utilities	1,084,431	123,146	239,497	7,974	35,443	5,703	899	189,477
Other business deductions	15,963,610	609,897	11,967,251	283,812	578,183	160,924	38,008	10,906,324
Home office business deductions, total	443,251	91,412	106,910	2,747	7,064	248	* 139	96,712
Depreciation, Form 8829 [3]	50,043	9,628	10,013	* 70	1,248	* 33	0	8,662
Casualty loss, Form 8829 [3]	* 1,185	* 1,066	* 119	0	* 2	0	0	* 117
Excess—casualty depreciations, Form 8829 [3]	35,482	5,328	10,375	* 146	* 756	* 9	0	9,464
<b>Net income less deficit [1,2]</b>	<b>20,173,777</b>	<b>1,054,445</b>	<b>6,995,452</b>	<b>364,208</b>	<b>857,082</b>	<b>14,460</b>	<b>-57,276</b>	<b>5,816,977</b>
Net income [1,2]	22,908,435	1,469,086	8,539,428	434,559	953,823	189,262	* 9,496	6,952,289
Deficit [2]	-2,734,659	-414,640	-1,543,977	-70,351	-96,740	-174,802	-66,771	-1,135,312

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Finance and insurance							
	Total	Credit intermediation and related activities	Securities, commodity contracts, and other financial investments					
			Total	Investment bankers and securities dealers	Securities brokers	Commodity contracts brokers and dealers	Securities and commodity exchanges	Other financial investment activities (investment advice)
	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns [1]	495,376	66,452	106,244	4,312	10,750	2,820	* 14	88,348
<b>Business receipts, total [1]</b>	<b>61,428,063</b>	<b>4,261,253</b>	<b>29,496,099</b>	<b>968,598</b>	<b>2,505,716</b>	<b>666,350</b>	<b>* 138,383</b>	<b>25,217,051</b>
Income from sales and operations [1]	59,779,825	4,182,573	28,569,997	792,503	2,365,547	665,560	* 138,369	24,608,019
Other business income	1,648,238	78,681	926,103	176,096	140,170	790	* 14	609,032
<b>Business deductions, total [1,2]</b>	<b>38,529,452</b>	<b>2,792,168</b>	<b>20,967,232</b>	<b>534,039</b>	<b>1,551,894</b>	<b>477,088</b>	<b>* 128,887</b>	<b>18,275,323</b>
Cost of sales and operations, total	14,627,514	641,573	13,512,189	* 160,347	739,178	255,050	* 122,499	12,235,115
Inventory, beginning of year	227,446	95,735	93,307	* 11,117	* 11,128	* 169	0	70,893
Cost of labor	47,640	* 16,875	18,290	* 2,487	* 3,916	* 1,908	0	* 9,979
Purchases	8,482,613	335,476	8,051,363	* 145,289	410,550	* 252,753	* 122,499	7,120,272
Materials and supplies	391,357	* 56,495	299,464	0	* 17	* 14	0	299,433
Other costs	5,738,125	237,696	5,138,241	* 13,420	325,776	* 216	0	4,798,829
Inventory, end of year	259,666	100,705	88,477	* 11,966	* 12,210	* 11	0	64,291
Advertising expenses	1,002,091	96,962	173,224	3,876	12,142	2,188	0	155,017
Car and truck expenses	2,208,214	234,495	322,965	4,960	38,541	2,934	* 205	276,324
Commissions	2,489,636	277,679	594,085	11,283	85,873	* 45,500	0	451,428
Contract labor	902,134	150,739	333,618	* 534	72,652	* 18,860	* 180	241,392
Depletion	1,812	* 6	1,446	* 3	* 27	* 178	0	1,238
Depreciation	673,423	62,454	165,439	4,945	8,647	1,748	* 269	149,830
Employee benefit programs	172,078	3,397	40,064	* 467	7,532	* 298	* 82	31,685
Insurance	469,491	29,587	87,150	5,180	13,338	492	* 148	67,992
Legal and professional services	532,724	61,363	224,459	7,164	24,757	2,093	* 782	189,664
Meals and entertainment deducted	444,138	44,288	112,024	3,226	12,968	1,081	* 57	94,692
Mortgage interest	91,700	12,220	24,467	* 479	* 656	* 83	0	23,250
Other interest paid on business indebtedness	285,901	32,772	124,937	2,827	13,951	373	* 219	107,567
Office expenses	1,000,158	75,253	248,674	21,141	20,916	4,309	* 11	202,296
Pension and profit-sharing plans	120,794	1,341	46,801	* 1,925	5,645	* 205	* 100	38,927
Rent paid on machinery and equipment	219,456	28,892	69,877	* 3,846	15,178	* 246	0	50,607
Rent paid on other business property	1,210,651	68,747	362,409	19,654	28,933	13,182	* 353	300,287
Repairs	192,659	17,383	34,250	2,219	5,040	* 150	* [4]	26,840
Supplies	504,790	58,226	97,135	2,076	12,136	3,557	* 10	79,357
Salaries and wages	3,842,429	245,647	1,216,568	28,526	127,281	13,251	* 1,629	1,045,882
Taxes paid	490,892	35,921	131,345	6,946	10,195	817	* [4]	113,387
Travel	652,862	38,678	253,738	13,398	12,732	3,000	* 615	223,992
Utilities	896,704	87,014	181,426	7,033	26,457	3,244	* 86	144,606
Other business deductions	5,085,062	407,920	2,519,092	219,663	252,123	104,162	* 1,502	1,941,643
Home office business deductions, total	322,542	62,798	71,904	* 2,319	4,971	* 62	* 139	64,413
Depreciation, Form 8829 [3]	34,360	7,914	4,990	* 13	834	* 2	0	4,142
Casualty loss, Form 8829 [3]	* 1,183	* 1,066	* 117	0	0	0	0	* 117
Excess—casualty depreciations, Form 8829 [3]	4,901	* 509	* 304	0	* 240	0	0	* 64
<b>Net income [1,2]</b>	<b>22,908,435</b>	<b>1,469,086</b>	<b>8,539,428</b>	<b>434,559</b>	<b>953,823</b>	<b>189,262</b>	<b>* 9,496</b>	<b>6,952,289</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	91,661	12,129	18,087	* 14	* 99	* 112	0	17,862
Business receipts	793,140	116,466	301,607	* 723	* 13,609	* 14,572	0	272,703
Business deductions	99,095	18,641	18,268	* [4]	* 24	* 37	0	18,207
Net income	694,044	97,825	283,338	* 723	* 13,585	* 14,535	0	254,496

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Real estate and rental and leasing						
	Insurance agents, brokers, and related activities			Total	Real estate		
	Total	Insurance agencies and brokerages	Other insurance related activities		Total	Lessors of real estate (including miniwarehouses and self-storage)	Offices of real estate agents, brokers, property managers, and appraisers
	(87)	(88)	(89)	(90)	(91)	(92)	(93)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>441,829</b>	<b>328,276</b>	<b>113,553</b>	<b>1,393,424</b>	<b>1,336,767</b>	<b>39,944</b>	<b>1,056,026</b>
<b>Business receipts, total [1]</b>	<b>30,568,954</b>	<b>26,335,688</b>	<b>4,233,266</b>	<b>70,954,832</b>	<b>66,927,293</b>	<b>1,341,797</b>	<b>49,007,711</b>
Income from sales and operations [1]	29,798,570	25,609,181	4,189,389	69,206,921	65,323,449	1,242,011	47,966,253
Other business income	770,384	726,507	43,877	1,747,910	1,603,845	99,785	1,041,459
<b>Business deductions, total [1,2]</b>	<b>18,445,284</b>	<b>16,020,031</b>	<b>2,425,254</b>	<b>48,684,628</b>	<b>44,804,616</b>	<b>1,467,285</b>	<b>29,350,772</b>
Cost of sales and operations, total	814,563	663,928	150,635	10,345,529	9,377,250	128,547	2,843,387
Inventory, beginning of year	40,065	37,669	* 2,395	2,785,756	2,673,919	* 11,973	748,482
Cost of labor	45,849	* 37,506	* 8,343	482,557	351,554	* 338	301,895
Purchases	347,999	246,605	101,395	5,519,112	4,909,012	127,196	1,340,456
Materials and supplies	38,609	30,756	* 7,854	1,119,770	1,060,409	* 3,466	453,419
Other costs	418,110	381,803	36,307	3,631,654	3,454,364	47,813	904,206
Inventory, end of year	76,070	70,411	* 5,659	3,193,320	3,072,007	62,239	905,072
Advertising expenses	814,395	759,062	55,333	2,707,090	2,669,836	13,446	2,284,577
Car and truck expenses	2,084,818	1,647,275	437,543	5,839,808	5,693,348	56,370	4,708,135
Commissions	2,087,625	1,812,496	275,129	3,448,320	3,405,609	55,104	2,855,015
Contract labor	458,690	407,244	51,446	1,024,431	918,434	16,057	612,631
Depletion	482	481	* 1	5,551	5,478	* 1,046	3,654
Depreciation	549,166	480,069	69,097	2,767,499	1,712,232	172,846	1,125,125
Employee benefit programs	141,680	130,038	11,642	93,990	88,123	3,290	60,478
Insurance	397,150	354,526	42,624	679,218	601,391	43,322	430,418
Legal and professional services	303,247	257,257	45,990	1,123,262	1,080,112	43,606	748,629
Meals and entertainment deducted	334,657	288,942	45,715	729,090	716,647	7,957	586,356
Mortgage interest	96,529	76,812	19,717	1,031,793	970,762	321,614	394,007
Other interest paid on business indebtedness	158,691	134,778	23,913	661,199	516,979	42,010	220,860
Office expenses	782,955	687,542	95,412	1,319,123	1,294,151	13,475	1,079,801
Pension and profit-sharing plans	74,020	71,956	2,064	39,840	38,968	* 553	31,681
Rent paid on machinery and equipment	130,426	114,645	15,781	516,272	460,539	9,692	389,439
Rent paid on other business property	884,783	820,280	64,503	1,250,986	1,149,118	14,080	877,832
Repairs	165,345	145,892	19,453	720,958	607,250	84,361	353,621
Supplies	397,781	354,545	43,236	1,018,095	928,993	22,124	701,221
Salaries and wages	2,552,536	2,403,098	149,438	1,905,519	1,667,454	62,651	989,252
Taxes paid	361,923	332,087	29,837	815,371	715,483	97,358	433,941
Travel	438,456	338,564	99,892	743,741	711,025	18,816	532,250
Utilities	721,788	631,339	90,449	1,546,761	1,481,924	68,689	1,143,665
Other business deductions	3,386,463	2,911,473	474,990	7,568,449	7,227,222	154,824	5,321,694
Home office business deductions, total	244,929	160,235	84,695	654,687	640,870	12,602	529,054
Depreciation, Form 8829 [3]	30,401	17,329	13,072	94,597	93,762	10,358	68,783
Casualty loss, Form 8829 [3]	0	0	0	* 7,465	* 7,465	* 117	* 6,469
Excess—casualty depreciations, Form 8829 [3]	19,778	11,737	8,041	51,950	51,946	10,846	37,407
<b>Net income less deficit [1,2]</b>	<b>12,123,880</b>	<b>10,314,637</b>	<b>1,809,243</b>	<b>22,335,602</b>	<b>22,158,626</b>	<b>-127,456</b>	<b>19,671,820</b>
Net income [1,2]	12,899,922	10,928,275	1,971,647	27,320,942	26,636,164	276,502	22,251,313
Deficit [2]	-776,042	-613,638	-162,404	-4,985,341	-4,477,538	-403,957	-2,579,493

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Real estate and rental and leasing						
	Insurance agents, brokers, and related activities			Total	Real estate		
	Total	Insurance agencies and brokerages	Other insurance related activities		Total	Lessors of real estate (including miniwarehouses and self-storage)	Offices of real estate agents, brokers, property managers, and appraisers
	(87)	(88)	(89)	(90)	(91)	(92)	(93)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns [1]	322,680	241,816	80,864	908,375	877,660	13,266	711,860
Business receipts, total [1]	27,670,711	23,982,553	3,688,158	60,188,057	57,261,965	697,851	43,920,550
Income from sales and operations [1]	27,027,256	23,369,678	3,657,578	58,923,834	56,049,012	614,032	43,033,052
Other business income	643,455	612,876	30,580	1,264,224	1,212,953	83,819	887,499
Business deductions, total [1,2]	14,770,053	13,055,977	1,714,075	32,879,903	30,637,957	421,349	21,672,389
Cost of sales and operations, total	473,753	429,106	44,646	6,765,810	5,978,415	60,291	2,027,021
Inventory, beginning of year	38,404	37,641	* 763	1,249,801	1,167,142	* 8,071	320,138
Cost of labor	* 12,474	* 8,908	* 3,566	442,524	316,698	* 166	286,070
Purchases	95,774	93,223	* 2,551	3,331,068	2,795,546	* 48,847	828,409
Materials and supplies	35,397	30,709	* 4,688	817,342	761,245	* 3,458	399,265
Other costs	362,188	329,037	33,151	2,253,214	2,173,434	* 7,089	655,802
Inventory, end of year	70,485	70,411	* 73	1,328,140	1,235,650	* 7,339	462,664
Advertising expenses	731,906	693,230	38,676	2,157,586	2,137,861	2,263	1,874,097
Car and truck expenses	1,650,754	1,308,995	341,759	4,347,392	4,239,105	22,381	3,545,925
Commissions	1,617,872	1,445,282	172,590	2,559,690	2,538,964	44,919	2,202,336
Contract labor	417,777	366,760	51,017	732,228	685,103	1,006	507,194
Depletion	359	359	* 1	3,457	3,423	* 6	3,075
Depreciation	445,531	397,292	48,239	1,416,639	996,502	31,974	753,957
Employee benefit programs	128,616	117,198	11,418	70,517	66,453	* 1,321	46,732
Insurance	352,753	318,291	34,462	437,437	396,019	14,623	303,469
Legal and professional services	246,902	215,174	31,728	734,598	720,326	12,238	513,844
Meals and entertainment deducted	287,826	251,211	36,614	588,941	579,616	2,940	482,095
Mortgage interest	55,013	50,203	* 4,810	346,706	324,426	58,276	195,588
Other interest paid on business indebtedness	128,192	106,562	21,631	235,543	187,472	10,487	116,951
Office expenses	676,231	595,183	81,048	1,000,180	986,667	5,122	831,068
Pension and profit-sharing plans	72,652	70,666	1,986	34,625	33,773	* 538	28,919
Rent paid on machinery and equipment	120,687	105,639	15,048	383,751	356,781	4,052	309,666
Rent paid on other business property	779,495	727,869	51,626	835,897	779,817	6,352	600,634
Repairs	141,026	125,156	15,871	415,294	361,732	23,416	258,754
Supplies	349,429	319,675	29,754	734,645	696,102	7,095	536,783
Salaries and wages	2,380,213	2,241,656	138,558	1,361,540	1,188,543	23,278	751,855
Taxes paid	323,626	299,178	24,448	469,542	399,414	22,154	284,623
Travel	360,446	292,567	67,879	516,704	505,916	1,991	394,816
Utilities	628,264	556,027	72,236	1,059,094	1,023,091	24,000	815,838
Other business deductions	2,158,050	1,876,312	281,738	5,034,107	4,829,926	34,730	3,771,091
Home office business deductions, total	187,840	116,767	71,073	512,133	499,292	* 3,065	423,999
Depreciation, Form 8829 [3]	21,455	11,038	10,417	63,422	62,591	* 49	50,190
Casualty loss, Form 8829 [3]	0	0	0	* 6,677	* 6,677	* 4	* 5,943
Excess—casualty depreciations, Form 8829 [3]	4,088	* 2,516	* 1,572	8,114	8,114	0	7,844
Net income [1,2]	12,899,922	10,928,275	1,971,647	27,320,942	26,636,164	276,502	22,251,313
Returns with Schedule C-EZ:							
Number of returns	61,445	41,613	19,832	107,555	101,911	3,694	73,118
Business receipts	375,067	205,904	169,163	1,078,761	1,036,958	33,403	737,644
Business deductions	62,186	35,467	26,719	128,048	125,417	2,845	94,050
Net income	312,880	170,437	142,444	950,713	911,541	30,558	643,594

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Real estate and rental and leasing—continued							
	Real estate —continued	Rental and leasing services						
		Total	Automotive equipment rental and leasing	Consumer electronics and appliances rental	Formal wear and costume rental	Videotape and disc rental	General rental centers and other consumer goods rental	Commercial and industrial machinery and equipment rental and leasing
	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>240,797</b>	<b>56,656</b>	<b>17,698</b>	<b>* 10</b>	<b>* 79</b>	<b>3,538</b>	<b>15,820</b>	<b>19,512</b>
<b>Business receipts, total [1]</b>	<b>16,577,785</b>	<b>4,027,538</b>	<b>652,711</b>	<b>* 12,259</b>	<b>* 47,509</b>	<b>544,107</b>	<b>959,760</b>	<b>1,811,193</b>
Income from sales and operations [1]	16,115,185	3,883,473	645,897	* 12,174	* 47,509	544,056	940,836	1,692,999
Other business income	462,601	144,066	6,813	* 84	0	* 51	18,923	118,193
<b>Business deductions, total [1,2]</b>	<b>13,986,560</b>	<b>3,880,012</b>	<b>631,846</b>	<b>* 14,282</b>	<b>* 45,035</b>	<b>491,151</b>	<b>878,605</b>	<b>1,819,094</b>
Cost of sales and operations, total	6,405,316	968,279	134,233	* 1,735	* 17,594	233,527	257,665	323,524
Inventory, beginning of year	1,913,464	111,837	* 18,975	0	0	* 24,233	43,339	25,289
Cost of labor	49,320	131,003	0	0	0	* 1,777	* 74,261	54,966
Purchases	3,441,360	610,100	53,988	* 1,435	* 17,594	226,758	186,738	123,586
Materials and supplies	603,524	59,362	* 3,955	0	0	0	* 985	* 54,421
Other costs	2,502,345	177,290	* 79,067	* 299	0	* 5,573	* 2,269	90,081
Inventory, end of year	2,104,697	121,313	* 21,752	0	0	* 24,814	49,929	24,819
Advertising expenses	371,814	37,253	3,611	* 81	* 1,665	4,789	23,474	3,634
Car and truck expenses	928,843	146,460	58,665	* 40	* 181	16,529	32,946	38,099
Commissions	495,491	42,711	* 12,827	* 403	0	0	* 2,796	26,685
Contract labor	289,746	105,998	12,300	* 1	* 350	* 37	46,415	46,893
Depletion	777	73	* 2	0	0	0	* 1	70
Depreciation	414,261	1,055,267	220,001	* 6,849	* 2,221	* 16,755	164,154	645,287
Employee benefit programs	24,354	5,867	* 221	* 325	0	* 280	2,593	2,449
Insurance	127,652	77,826	13,300	* 119	* 1,189	* 4,521	19,463	39,235
Legal and professional services	287,877	43,151	5,254	* 222	* 353	4,019	14,435	18,867
Meals and entertainment deducted	122,333	12,443	5,304	* 4	0	* 413	2,247	4,475
Mortgage interest	255,142	61,030	14,928	* 263	0	* 4,661	8,085	33,094
Other interest paid on business indebtedness	254,110	144,220	21,171	* 1,531	* 268	* 2,423	16,360	102,466
Office expenses	200,876	24,972	2,199	* 18	* 84	4,288	6,747	11,636
Pension and profit-sharing plans	6,734	* 871	* 8	* 6	0	0	* 128	* 730
Rent paid on machinery and equipment	61,408	55,732	3,796	* 5	0	* 426	12,873	38,631
Rent paid on other business property	257,206	101,868	11,467	* 70	* 3,900	42,205	28,799	15,426
Repairs	169,268	113,709	12,990	* 80	* 364	4,521	19,271	76,482
Supplies	205,649	89,102	594	* 36	* 520	* 5,291	33,483	49,179
Salaries and wages	615,551	238,065	23,115	* 1,366	* 8,554	* 73,745	52,553	78,731
Taxes paid	184,183	99,888	5,512	* 253	* 3,555	17,897	33,419	39,252
Travel	159,960	32,716	566	* 61	* 191	* 88	5,675	26,135
Utilities	269,569	64,837	2,989	* 218	* 1,242	21,875	23,640	14,872
Other business deductions	1,750,704	341,227	65,189	* 596	* 2,803	28,916	64,353	179,370
Home office business deductions, total	99,214	13,817	* 2	0	0	* 3,945	* 6,858	3,013
Depreciation, Form 8829 [3]	14,621	* 835	* 4	0	0	* 51	* 613	* 167
Casualty loss, Form 8829 [3]	* 879	0	0	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	3,693	* 4	* 4	0	0	0	0	0
<b>Net income less deficit [1,2]</b>	<b>2,614,262</b>	<b>176,975</b>	<b>26,582</b>	<b>* -2,023</b>	<b>* 2,474</b>	<b>52,956</b>	<b>84,761</b>	<b>12,225</b>
Net income [1,2]	4,108,350	684,778	100,702	* 373	* 3,727	61,572	187,528	330,875
Deficit [2]	-1,494,088	-507,803	-74,121	* -2,395	* -1,253	* -8,616	-102,767	-318,650

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Real estate and rental and leasing—continued							
	Real estate —continued	Rental and leasing services						
	Other activities related to real estate	Total	Automotive equipment rental and leasing	Consumer electronics and appliances rental	Formal wear and costume rental	Videotape and disc rental	General rental centers and other consumer goods rental	Commercial and industrial machinery and equipment rental and leasing
	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns [1]	152,534	30,716	** 10,201	**	* 39	3,247	7,882	9,347
<b>Business receipts, total [1]</b>	<b>12,643,564</b>	<b>2,926,092</b>	<b>** 434,917</b>	<b>**</b>	<b>* 47,139</b>	<b>498,508</b>	<b>741,074</b>	<b>1,204,454</b>
Income from sales and operations [1]	12,401,929	2,874,821	** 433,955	**	* 47,139	498,457	740,636	1,154,636
Other business income	241,636	51,271	** 962	**	0	* 51	* 439	49,819
<b>Business deductions, total [1,2]</b>	<b>8,544,219</b>	<b>2,241,946</b>	<b>** 335,940</b>	<b>**</b>	<b>* 43,412</b>	<b>436,936</b>	<b>553,546</b>	<b>872,113</b>
Cost of sales and operations, total	3,891,103	787,395	** 40,322	**	* 17,594	218,394	250,771	260,314
Inventory, beginning of year	838,932	82,659	** 12,334	**	0	* 12,327	* 40,921	* 17,077
Cost of labor	30,462	* 125,827	** 0	**	0	* 1,777	* 74,194	* 49,856
Purchases	1,918,290	535,522	** 37,971	**	* 17,594	216,947	181,560	81,450
Materials and supplies	358,522	* 56,097	** 2,934	**	0	0	* 784	* 52,379
Other costs	1,510,543	79,781	** 2,729	**	0	0	* 375	76,675
Inventory, end of year	765,646	92,490	** 15,647	**	0	* 12,657	* 47,064	* 17,122
Advertising expenses	261,500	19,725	** 1,442	**	* 1,665	* 4,253	10,749	1,616
Car and truck expenses	670,800	108,287	** 50,103	**	* 181	* 14,912	18,836	24,254
Commissions	291,709	20,726	** 5,340	**	0	0	* 42	15,343
Contract labor	176,903	47,125	** 10,928	**	* 350	* 37	32,753	3,056
Depletion	342	* 34	** 2	**	0	0	0	* 32
Depreciation	210,570	420,136	** 100,300	**	* 2,022	* 16,665	57,233	243,916
Employee benefit programs	18,400	4,064	** 155	**	0	* 211	* 2,272	* 1,426
Insurance	77,927	41,419	** 8,164	**	* 1,134	* 4,335	8,589	19,196
Legal and professional services	194,244	14,272	** 2,990	**	* 181	3,330	2,093	5,679
Meals and entertainment deducted	94,581	9,325	** 4,888	**	0	* 404	1,913	2,121
Mortgage interest	70,562	22,280	** 9,646	**	0	* 4,600	* 3,847	4,188
Other interest paid on business indebtedness	60,034	48,070	** 12,339	**	* 268	* 2,423	* 4,391	28,649
Office expenses	150,476	13,513	** 662	**	* 39	* 4,044	4,264	4,505
Pension and profit-sharing plans	4,317	* 852	** 8	**	0	0	* 128	* 717
Rent paid on machinery and equipment	43,063	26,970	** 1,273	**	0	* 407	10,354	14,936
Rent paid on other business property	172,831	56,080	** 275	**	* 3,429	* 35,869	8,932	7,576
Repairs	79,562	53,562	** 10,222	**	* 349	* 4,174	8,545	30,272
Supplies	152,224	38,543	** 459	**	* 462	* 5,128	13,990	18,505
Salaries and wages	413,411	172,997	** 19,685	**	* 8,554	* 56,878	* 35,666	52,213
Taxes paid	92,637	70,128	** 1,218	**	* 3,555	* 12,319	26,182	26,854
Travel	109,108	10,788	** 437	**	* 191	* 53	* 4,546	5,562
Utilities	183,253	36,002	** 285	**	* 1,180	19,621	8,327	6,589
Other business deductions	1,024,106	204,180	** 53,197	**	* 2,257	24,933	32,095	91,699
Home office business deductions, total	72,228	12,841	** 0	**	0	* 3,945	* 6,858	* 2,039
Depreciation, Form 8829 [3]	12,352	* 831	** 0	**	0	* 51	* 613	* 167
Casualty loss, Form 8829 [3]	* 730	0	** 0	**	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 270	0	** 0	**	0	0	0	0
<b>Net income [1,2]</b>	<b>4,108,350</b>	<b>684,778</b>	<b>** 101,075</b>	<b>**</b>	<b>* 3,727</b>	<b>61,572</b>	<b>187,528</b>	<b>330,875</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	25,099	5,644	* 1,723	0	0	0	* 2,039	1,881
Business receipts	265,911	41,803	* 10,323	0	0	0	* 12,520	18,960
Business deductions	28,522	2,631	* 1,600	0	0	0	* 172	* 859
Net income	237,389	39,172	* 8,722	0	0	0	* 12,348	18,102

Footnotes at end of table.



# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services						
	Total	Legal services	Offices of certified public accountants	Other accounting services	Architectural, engineering, and related services		
					Total	Architectural services	Engineering services
	(102)	(103)	(104)	(105)	(106)	(107)	(108)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>3,234,542</b>	<b>363,321</b>	<b>46,084</b>	<b>330,229</b>	<b>275,602</b>	<b>99,885</b>	<b>97,556</b>
<b>Business receipts, total [1]</b>	<b>169,272,699</b>	<b>38,716,955</b>	<b>4,203,407</b>	<b>8,210,291</b>	<b>16,193,715</b>	<b>7,741,906</b>	<b>5,798,047</b>
Income from sales and operations [1]	166,428,723	38,214,388	4,083,232	8,088,618	15,961,834	7,697,760	5,612,136
Other business income	2,843,976	502,567	120,175	121,673	231,881	44,146	185,911
<b>Business deductions, total [1,2]</b>	<b>97,752,001</b>	<b>22,047,741</b>	<b>2,361,991</b>	<b>5,094,148</b>	<b>10,515,850</b>	<b>5,817,821</b>	<b>3,334,483</b>
Cost of sales and operations, total	19,713,317	1,841,309	39,963	138,792	2,781,620	1,689,380	961,186
Inventory, beginning of year	1,144,267	62,512	* 8,007	* 56,713	73,283	40,618	26,253
Cost of labor	1,772,032	142,743	* 2,735	67,208	531,358	379,221	130,097
Purchases	8,159,185	131,995	* 2,835	22,414	677,724	504,475	119,298
Materials and supplies	2,901,630	48,828	* 13	18,829	721,925	433,444	280,297
Other costs	6,801,386	1,519,958	33,995	20,974	869,621	380,753	444,447
Inventory, end of year	1,065,183	64,727	* 7,621	* 47,347	92,291	49,131	39,206
Advertising expenses	2,296,548	844,057	22,614	98,269	98,554	56,855	23,958
Car and truck expenses	7,372,703	1,029,264	121,758	581,997	811,262	358,932	270,874
Commissions	1,449,557	239,080	* 7,563	154,570	78,665	14,708	39,545
Contract labor	4,344,168	785,558	126,346	236,072	620,286	359,549	177,442
Depletion	12,387	3,285	0	* 846	* 1,635	0	* 1,616
Depreciation	3,932,135	479,147	74,366	218,601	528,014	247,132	177,569
Employee benefit programs	651,284	213,243	67,718	37,548	106,716	34,342	49,021
Insurance	1,629,001	584,349	63,549	81,798	274,591	145,125	83,193
Legal and professional services	2,613,835	752,666	38,602	161,603	291,949	169,883	61,050
Meals and entertainment deducted	1,296,040	214,179	22,147	93,735	77,670	34,501	29,018
Mortgage interest	395,929	98,937	18,144	54,939	29,973	11,374	14,861
Other interest paid on business indebtedness	741,480	156,326	34,861	54,758	56,982	31,233	15,112
Office expenses	3,092,241	1,091,718	116,963	254,532	251,876	110,877	106,190
Pension and profit-sharing plans	335,456	148,626	14,600	10,347	29,749	15,419	13,259
Rent paid on machinery and equipment	916,230	214,968	34,806	51,089	80,045	44,213	29,664
Rent paid on other business property	3,929,938	1,734,106	169,264	260,422	248,713	149,745	68,782
Repairs	940,908	191,126	23,491	76,178	134,785	71,554	41,224
Supplies	3,024,526	407,068	41,502	173,828	453,888	312,263	85,530
Salaries and wages	10,986,174	4,110,482	627,671	775,390	1,388,528	771,663	415,021
Taxes paid	1,787,566	564,328	75,623	109,867	229,228	140,179	59,348
Travel	3,726,242	308,881	36,582	104,067	228,702	76,533	120,012
Utilities	3,152,567	798,862	96,524	239,206	278,661	125,668	85,156
Other business deductions	16,049,322	4,980,284	433,348	851,341	1,166,885	757,420	287,669
Home office business deductions, total	2,830,459	224,528	43,044	205,004	236,863	76,018	105,952
Depreciation, Form 8829 [3]	369,483	22,467	6,140	19,744	29,289	8,332	13,011
Casualty loss, Form 8829 [3]	11,861	* 3,225	0	* 25	0	0	0
Excess—casualty depreciations, Form 8829 [3]	359,886	13,232	* 459	7,223	24,429	* 2,411	* 13,725
<b>Net income less deficit [1,2]</b>	<b>71,608,966</b>	<b>16,676,401</b>	<b>1,841,417</b>	<b>3,117,258</b>	<b>5,682,629</b>	<b>1,924,217</b>	<b>2,467,909</b>
Net income [1,2]	77,705,157	17,450,194	1,903,735	3,445,846	6,055,197	2,117,003	2,580,101
Deficit [2]	-6,096,192	-773,793	-62,318	-328,587	-372,568	-192,786	-112,193

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services						
	Total	Legal services	Offices of certified public accountants	Other accounting services	Architectural, engineering, and related services		
					Total	Architectural services	Engineering services
	(102)	(103)	(104)	(105)	(106)	(107)	(108)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns [1]	2,407,350	268,297	39,361	268,693	213,865	73,057	80,074
<b>Business receipts, total [1]</b>	<b>156,237,690</b>	<b>36,949,264</b>	<b>4,068,821</b>	<b>7,516,589</b>	<b>14,727,736</b>	<b>6,829,921</b>	<b>5,416,534</b>
Income from sales and operations [1]	153,703,359	36,485,597	3,948,812	7,414,876	14,552,548	6,789,715	5,283,377
Other business income	2,534,331	463,667	120,009	101,712	175,188	40,207	133,157
<b>Business deductions, total [1,2]</b>	<b>78,548,547</b>	<b>19,504,801</b>	<b>2,165,086</b>	<b>4,070,743</b>	<b>8,677,254</b>	<b>4,713,000</b>	<b>2,840,777</b>
Cost of sales and operations, total	15,959,539	1,665,126	35,873	109,471	2,180,987	1,239,909	817,313
Inventory, beginning of year	655,801	43,602	* 1,044	* 35,238	24,605	* 1,673	* 22,787
Cost of labor	1,410,399	142,619	* 2,735	52,875	431,475	292,828	117,395
Purchases	6,061,492	127,497	* 2,835	11,057	462,543	291,178	118,756
Materials and supplies	2,350,738	47,118	* 13	* 15,454	498,162	321,020	171,488
Other costs	6,004,928	1,352,518	* 29,904	14,440	802,144	336,870	421,023
Inventory, end of year	523,819	48,226	* 658	* 19,594	37,943	* 3,660	* 34,137
Advertising expenses	1,799,110	754,538	20,436	73,078	76,500	40,396	21,821
Car and truck expenses	5,501,547	844,631	115,686	412,744	635,458	259,408	230,407
Commissions	1,224,488	209,651	* 7,542	145,614	52,268	13,955	36,299
Contract labor	3,742,179	700,698	118,020	206,259	574,822	336,871	155,412
Depletion	9,105	3,093	0	* 775	* 284	0	* 280
Depreciation	2,941,091	412,379	60,660	176,032	431,655	193,238	143,858
Employee benefit programs	544,747	196,363	60,342	33,098	97,403	34,200	45,263
Insurance	1,362,090	523,517	58,013	63,692	229,299	114,510	76,641
Legal and professional services	2,097,419	663,665	33,171	147,047	260,308	151,204	52,617
Meals and entertainment deducted	1,055,830	190,551	21,037	68,724	64,059	28,036	26,559
Mortgage interest	273,492	88,728	18,088	40,412	21,202	10,627	7,563
Other interest paid on business indebtedness	498,084	116,323	31,299	46,931	46,169	23,322	14,624
Office expenses	2,625,246	986,167	110,817	207,115	218,727	95,109	92,736
Pension and profit-sharing plans	307,453	144,010	14,379	10,347	28,248	15,239	11,938
Rent paid on machinery and equipment	722,102	195,839	18,701	28,412	61,578	33,543	22,674
Rent paid on other business property	3,182,973	1,576,078	160,550	200,814	210,070	122,709	62,956
Repairs	702,292	154,354	22,303	67,700	109,971	55,059	36,095
Supplies	2,324,128	350,306	39,415	124,258	375,034	251,510	79,660
Salaries and wages	9,415,449	3,777,422	570,842	684,851	1,207,221	717,566	327,390
Taxes paid	1,533,701	509,004	70,447	98,846	198,859	126,371	49,561
Travel	3,086,415	265,018	34,763	92,675	196,262	58,163	109,052
Utilities	2,483,186	686,633	86,364	191,951	215,749	93,585	72,356
Other business deductions	12,451,209	4,309,035	404,153	650,136	965,792	629,211	243,912
Home office business deductions, total	2,191,932	153,539	41,244	123,613	189,324	56,001	91,563
Depreciation, Form 8829 [3]	271,071	17,435	5,994	14,946	20,910	7,608	8,939
Casualty loss, Form 8829 [3]	10,521	* 3,225	0	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	28,989	* 1,497	* 110	0	* 4,088	* 853	* 3,235
<b>Net income [1,2]</b>	<b>77,705,157</b>	<b>17,450,194</b>	<b>1,903,735</b>	<b>3,445,846</b>	<b>6,055,197</b>	<b>2,117,003</b>	<b>2,580,101</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	534,873	39,995	6,399	83,025	47,657	16,087	18,923
Business receipts	5,144,919	422,231	61,625	519,981	402,765	109,872	165,458
Business deductions	531,989	31,364	10,942	69,350	30,009	13,256	12,232
Net income	4,612,930	390,867	50,684	450,631	372,756	96,616	153,226

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services—continued						
	Architectural, engineering, and related services—continued			Specialized design services	Computer systems design services	Other professional, scientific, and technical services	
	Drafting, building inspections, and geophysical surveying	Surveying and mapping (except geophysical) services	Testing laboratories			Total	Management, scientific, and technical consulting services
	(109)	(110)	(111)	(112)	(113)	(114)	(115)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>60,757</b>	<b>13,342</b>	<b>4,062</b>	<b>241,885</b>	<b>254,014</b>	<b>1,723,407</b>	<b>951,886</b>
<b>Business receipts, total [1]</b>	<b>1,696,841</b>	<b>767,444</b>	<b>189,477</b>	<b>9,336,822</b>	<b>9,986,914</b>	<b>82,624,594</b>	<b>46,147,399</b>
Income from sales and operations [1]	1,695,510	767,197	189,232	9,257,163	9,879,668	80,943,820	45,108,461
Other business income	* 1,331	* 248	* 246	79,660	107,245	1,680,774	1,038,938
<b>Business deductions, total [1,2]</b>	<b>797,378</b>	<b>435,517</b>	<b>130,651</b>	<b>7,229,701</b>	<b>5,566,533</b>	<b>44,936,037</b>	<b>20,607,598</b>
Cost of sales and operations, total	60,075	* 15,283	* 55,696	3,929,295	1,910,254	9,072,083	2,516,247
Inventory, beginning of year	* 364	0	* 6,049	354,782	57,374	531,595	249,625
Cost of labor	* 14,002	* 7,249	* 789	208,763	294,162	525,063	241,156
Purchases	* 2,922	* 2,766	* 48,262	2,403,781	785,226	4,135,210	805,903
Materials and supplies	* 6,700	0	* 1,484	698,237	149,221	1,264,577	423,937
Other costs	* 36,449	* 5,268	* 2,705	529,137	680,199	3,147,501	1,010,856
Inventory, end of year	* 360	0	* 3,594	265,406	55,928	531,862	215,230
Advertising expenses	14,274	3,061	* 406	101,537	183,709	947,809	381,783
Car and truck expenses	126,879	47,544	* 7,032	413,891	433,636	3,980,896	2,148,833
Commissions	* 24,003	* 409	0	55,543	35,852	878,285	492,472
Contract labor	14,109	68,464	* 722	199,761	286,453	2,089,692	1,169,640
Depletion	* 19	0	0	* 24	* 411	6,186	3,957
Depreciation	63,658	34,374	* 5,283	210,717	257,734	2,163,556	981,942
Employee benefit programs	* 14,001	* 8,271	* 1,081	12,325	33,770	179,964	75,365
Insurance	27,567	15,380	* 3,326	58,441	47,586	518,686	220,833
Legal and professional services	51,058	7,425	* 2,534	99,572	82,924	1,186,519	775,814
Meals and entertainment deducted	12,918	698	* 535	65,036	61,798	761,475	497,345
Mortgage interest	* 2,892	* 846	0	23,540	17,339	153,057	61,596
Other interest paid on business indebtedness	6,283	2,466	* 1,889	51,088	31,694	355,772	200,898
Office expenses	23,404	9,844	* 1,561	116,024	129,586	1,131,543	628,456
Pension and profit-sharing plans	* 17	* 1,045	* 9	5,908	8,572	117,654	56,184
Rent paid on machinery and equipment	1,703	* 4,458	* 7	39,045	70,500	425,776	224,038
Rent paid on other business property	* 13,918	12,656	* 3,611	193,636	117,678	1,206,119	503,884
Repairs	13,068	6,776	* 2,164	27,814	34,329	453,184	206,295
Supplies	37,796	13,123	* 5,175	212,238	157,719	1,578,283	644,449
Salaries and wages	* 60,193	118,876	* 22,775	250,733	368,117	3,465,252	1,246,437
Taxes paid	11,229	15,896	* 2,575	90,211	65,723	652,586	251,212
Travel	29,231	1,791	* 1,135	123,085	239,625	2,685,300	1,878,276
Utilities	45,727	19,000	* 3,111	168,544	151,758	1,419,012	746,318
Other business deductions	95,833	18,191	* 7,772	523,166	578,074	7,516,225	3,518,249
Home office business deductions, total	43,616	* 9,529	* 1,748	227,437	226,498	1,667,084	991,640
Depreciation, Form 8829 [3]	6,768	* 815	* 363	29,733	23,531	238,579	140,077
Casualty loss, Form 8829 [3]	0	0	0	* 79	* 1,263	7,268	4,111
Excess—casualty depreciations, Form 8829 [3]	* 6,863	* 710	* 721	27,737	8,778	278,027	214,335
<b>Net income less deficit [1,2]</b>	<b>899,800</b>	<b>331,877</b>	<b>58,826</b>	<b>2,112,466</b>	<b>4,424,493</b>	<b>37,754,303</b>	<b>25,573,080</b>
Net income [1,2]	955,172	334,128	68,793	2,668,602	4,780,921	41,400,665	27,576,853
Deficit [2]	-55,372	* -2,251	* -9,967	-556,136	-356,428	-3,646,362	-2,003,773

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services—continued						
	Architectural, engineering, and related services—continued			Specialized design services	Computer systems design services	Other professional, scientific, and technical services	
	Drafting, building inspections, and geophysical surveying	Surveying and mapping (except geophysical) services	Testing laboratories			Total	Management, scientific, and technical consulting services
	(109)	(110)	(111)	(112)	(113)	(114)	(115)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns [1]	47,243	10,780	2,711	165,742	191,706	1,259,685	697,244
Business receipts, total [1]	1,622,533	679,883	178,865	7,903,667	9,211,240	75,860,373	43,565,512
Income from sales and operations [1]	1,621,202	679,635	178,619	7,834,380	9,106,158	74,360,988	42,623,968
Other business income	* 1,331	* 248	* 246	69,287	105,082	1,499,386	941,545
Business deductions, total [1,2]	667,698	345,705	* 110,072	5,235,066	4,430,162	34,465,436	15,994,002
Cost of sales and operations, total	* 58,109	* 15,039	* 50,617	3,090,280	1,659,416	7,218,387	2,120,708
Inventory, beginning of year	* 45	0	* 99	225,800	24,721	300,792	146,777
Cost of labor	* 14,002	* 7,249	* 1	173,826	212,595	394,275	220,519
Purchases	* 2,002	* 2,692	* 47,915	1,684,660	725,092	3,047,809	696,452
Materials and supplies	* 5,654	0	0	625,298	119,895	1,044,798	406,281
Other costs	* 36,449	* 5,097	* 2,705	477,078	612,506	2,716,337	778,705
Inventory, end of year	* 42	0	* 104	96,381	35,394	285,624	128,025
Advertising expenses	10,883	3,052	* 348	62,822	156,082	655,656	278,679
Car and truck expenses	110,483	31,860	* 3,300	257,039	320,898	2,915,091	1,586,162
Commissions	* 1,605	* 409	0	46,557	29,634	733,221	366,353
Contract labor	* 13,992	68,464	* 82	134,255	267,200	1,740,925	1,018,118
Depletion	* 4	0	0	0	* 411	4,542	3,153
Depreciation	57,453	32,617	* 4,489	129,636	192,100	1,538,631	712,991
Employee benefit programs	* 13,991	* 2,868	* 1,081	7,568	26,096	123,876	47,289
Insurance	24,141	10,887	* 3,120	41,508	34,234	411,827	180,858
Legal and professional services	47,881	6,117	* 2,489	63,052	52,723	877,453	572,119
Meals and entertainment deducted	8,444	658	* 362	48,201	50,348	612,910	406,017
Mortgage interest	* 2,284	* 728	0	10,651	6,835	87,576	31,746
Other interest paid on business indebtedness	* 5,018	* 2,466	* 739	14,888	22,325	220,149	104,658
Office expenses	20,425	8,896	* 1,561	81,904	97,110	923,406	519,534
Pension and profit-sharing plans	* 17	* 1,045	* 9	5,722	3,274	101,473	52,204
Rent paid on machinery and equipment	1,023	* 4,332	* 7	22,510	63,261	331,800	184,480
Rent paid on other business property	* 13,918	8,521	* 1,965	92,405	78,717	864,340	354,683
Repairs	12,901	3,911	* 2,005	21,051	22,111	304,802	131,409
Supplies	31,981	10,173	* 1,709	125,883	114,975	1,194,258	444,469
Salaries and wages	* 52,193	87,296	* 22,775	184,483	254,396	2,736,234	902,400
Taxes paid	9,829	10,556	* 2,541	69,449	50,000	537,096	198,647
Travel	26,591	1,791	* 664	87,978	210,720	2,199,000	1,589,480
Utilities	37,142	10,531	* 2,136	106,101	106,349	1,090,038	580,906
Other business deductions	69,239	15,860	* 7,569	313,758	401,399	5,406,936	2,624,690
Home office business deductions, total	34,243	* 7,516	0	186,275	174,355	1,323,582	802,803
Depreciation, Form 8829 [3]	3,786	* 578	0	20,153	19,970	171,663	104,892
Casualty loss, Form 8829 [3]	0	0	0	0	* 1,263	6,034	4,071
Excess—casualty depreciations, Form 8829 [3]	0	0	0	* 2,856	* 3,875	16,564	11,007
<b>Net income [1,2]</b>	<b>955,172</b>	<b>334,128</b>	<b>68,793</b>	<b>2,668,602</b>	<b>4,780,921</b>	<b>41,400,665</b>	<b>27,576,853</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	8,947	* 2,098	* 1,602	38,339	55,139	264,318	127,839
Business receipts	65,968	* 23,891	* 37,576	401,861	563,312	2,773,144	1,825,630
Business deductions	* 3,906	* 111	* 504	31,090	35,194	324,039	185,435
Net income	62,062	* 23,780	* 37,072	370,771	528,117	2,449,105	1,640,195

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services—continued				Administrative and support and waste management and remediation services		
	Other professional, scientific, and technical services—continued						
	Scientific research and development services	Advertising and related services	Market research and public opinion polling	Other miscellaneous services	Total	Administrative and support services	Waste management and remediation services
	(116)	(117)	(118)	(119)	(120)	(121)	(122)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>34,241</b>	<b>120,617</b>	<b>38,676</b>	<b>577,987</b>	<b>2,251,002</b>	<b>2,224,802</b>	<b>26,200</b>
<b>Business receipts, total [1]</b>	<b>1,952,860</b>	<b>7,163,497</b>	<b>1,133,673</b>	<b>26,227,165</b>	<b>60,343,203</b>	<b>58,044,464</b>	<b>2,298,739</b>
Income from sales and operations [1]	1,939,220	7,103,762	1,122,382	25,669,995	59,549,710	57,280,528	2,269,182
Other business income	13,641	59,734	11,291	557,170	793,494	763,936	29,557
<b>Business deductions, total [1,2]</b>	<b>1,375,133</b>	<b>5,126,124</b>	<b>729,135</b>	<b>17,098,047</b>	<b>43,914,195</b>	<b>41,861,545</b>	<b>2,052,650</b>
Cost of sales and operations, total	424,551	1,896,826	197,539	4,036,920	11,076,161	10,681,460	394,701
Inventory, beginning of year	* 59,537	13,744	* 2	208,686	375,225	366,725	* 8,500
Cost of labor	* 24,316	28,169	0	231,422	2,283,408	2,254,725	* 28,683
Purchases	* 309,845	651,126	* 5,473	2,362,862	3,436,507	3,227,995	208,511
Materials and supplies	* 20,700	231,277	* 37,178	551,485	2,259,940	2,208,985	50,955
Other costs	98,181	984,450	* 154,885	899,129	3,067,658	2,957,313	110,345
Inventory, end of year	* 88,028	11,940	0	216,664	346,575	334,283	* 12,293
Advertising expenses	25,049	190,050	4,291	346,636	760,727	730,980	29,747
Car and truck expenses	40,811	339,961	62,167	1,389,123	5,834,308	5,664,546	169,762
Commissions	* 4,857	153,551	* 4,006	223,398	486,957	473,927	13,030
Contract labor	107,523	210,550	50,396	551,582	2,145,281	2,051,169	94,113
Depletion	0	* 20	0	2,208	5,377	4,640	* 738
Depreciation	71,586	156,427	14,618	938,982	2,418,990	2,188,350	230,640
Employee benefit programs	5,030	11,963	* 4,996	82,611	130,740	115,556	15,185
Insurance	8,734	29,654	7,369	252,096	1,090,691	1,012,153	78,538
Legal and professional services	35,162	74,007	11,493	290,041	403,551	387,808	15,743
Meals and entertainment deducted	12,777	50,244	11,221	189,887	318,577	309,090	9,487
Mortgage interest	* 16,892	4,702	* 3,603	66,264	195,486	183,223	12,263
Other interest paid on business indebtedness	3,911	26,497	* 1,334	123,131	340,658	312,929	27,729
Office expenses	17,470	76,418	14,216	394,983	685,645	662,910	22,734
Pension and profit-sharing plans	* 13,125	2,357	* 6,043	39,947	30,358	29,399	* 959
Rent paid on machinery and equipment	7,204	33,691	3,784	157,060	574,509	551,101	23,408
Rent paid on other business property	34,015	102,311	17,971	547,939	735,747	711,980	23,767
Repairs	9,303	29,289	7,761	200,536	978,093	877,500	100,594
Supplies	19,404	87,062	46,084	781,284	2,118,835	2,065,127	53,707
Salaries and wages	131,163	233,396	51,557	1,802,700	4,498,692	4,351,189	147,503
Taxes paid	15,385	43,428	5,274	337,286	750,406	706,554	43,852
Travel	47,605	118,169	44,811	596,438	662,365	647,615	14,750
Utilities	18,652	120,516	20,460	513,067	1,076,267	1,041,226	35,040
Other business deductions	269,667	957,363	115,649	2,655,297	5,426,390	4,936,074	490,317
Home office business deductions, total	20,298	158,982	17,763	478,401	671,832	667,501	4,331
Depreciation, Form 8829 [3]	4,415	27,123	* 884	66,080	91,017	90,718	* 298
Casualty loss, Form 8829 [3]	0	* 1,959	0	* 1,198	* 2,692	* 2,692	0
Excess—casualty depreciations, Form 8829 [3]	* 3,103	17,343	* 438	42,808	54,081	54,081	0
<b>Net income less deficit [1,2]</b>	<b>580,242</b>	<b>2,039,822</b>	<b>404,539</b>	<b>9,156,620</b>	<b>16,485,611</b>	<b>16,239,510</b>	<b>246,101</b>
Net income [1,2]	775,250	2,276,899	494,610	10,277,052	19,554,621	19,225,753	328,868
Deficit [2]	-195,008	-237,077	-90,072	-1,120,432	-3,069,010	-2,986,242	-82,768

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Professional, scientific, and technical services—continued				Administrative and support and waste management and remediation services		
	Other professional, scientific, and technical services—continued						
	Scientific research and development services	Advertising and related services	Market research and public opinion polling	Other miscellaneous services	Total	Administrative and support services	Waste management and remediation services
	(116)	(117)	(118)	(119)	(120)	(121)	(122)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns [1]	26,842	90,271	26,335	418,993	1,787,855	1,766,210	21,645
<b>Business receipts, total [1]</b>	<b>1,412,635</b>	<b>6,739,828</b>	<b>1,053,548</b>	<b>23,088,850</b>	<b>52,763,362</b>	<b>50,755,416</b>	<b>2,007,946</b>
Income from sales and operations [1]	1,406,130	6,695,250	1,053,473	22,582,166	52,155,522	50,176,911	1,978,611
Other business income	6,505	44,578	* 75	506,683	607,840	578,505	29,336
<b>Business deductions, total [1,2]</b>	<b>637,385</b>	<b>4,462,989</b>	<b>558,938</b>	<b>12,812,122</b>	<b>33,216,485</b>	<b>31,537,408</b>	<b>1,679,078</b>
Cost of sales and operations, total	187,509	1,839,282	* 188,848	2,882,040	9,077,221	8,746,177	331,044
Inventory, beginning of year	* 2,807	3,018	* 2	148,189	258,287	250,517	* 7,770
Cost of labor	* 14,179	25,110	0	134,467	2,017,135	1,989,260	* 27,876
Purchases	* 96,336	639,782	* 2,171	1,613,068	2,873,852	2,703,331	* 170,521
Materials and supplies	* 20,413	221,667	* 34,194	362,243	1,989,949	1,951,030	* 38,919
Other costs	55,491	959,763	* 152,480	769,898	2,156,991	2,058,785	98,206
Inventory, end of year	* 1,716	10,058	0	145,825	218,993	206,746	* 12,248
Advertising expenses	5,058	168,754	1,961	201,204	556,181	530,648	25,532
Car and truck expenses	31,929	266,263	24,768	1,005,969	4,273,645	4,142,013	131,632
Commissions	* 4,711	153,065	* 18	209,075	400,033	387,212	* 12,821
Contract labor	59,255	183,216	* 37,136	443,198	1,727,258	1,660,283	66,974
Depletion	0	0	0	1,389	2,891	2,153	* 738
Depreciation	32,971	122,976	5,400	664,293	1,694,684	1,523,045	171,639
Employee benefit programs	* 1,939	9,959	* 4,996	59,694	106,776	92,019	14,757
Insurance	4,345	23,357	2,417	200,850	816,963	758,605	58,358
Legal and professional services	25,997	60,324	7,461	211,551	273,488	262,543	10,945
Meals and entertainment deducted	11,337	40,900	7,471	147,185	227,634	219,876	7,758
Mortgage interest	* 22	* 3,705	* 73	52,030	84,277	72,988	11,289
Other interest paid on business indebtedness	* 685	23,352	* 302	91,153	221,707	203,767	17,941
Office expenses	11,081	60,127	8,541	324,123	470,988	449,241	21,746
Pension and profit-sharing plans	* 2,125	1,811	* 6,043	39,289	24,765	23,806	* 959
Rent paid on machinery and equipment	7,002	28,999	* 1,537	109,782	409,781	390,345	19,435
Rent paid on other business property	22,413	85,585	11,932	389,726	585,247	563,092	22,155
Repairs	6,711	22,132	2,239	142,310	670,137	589,547	80,590
Supplies	15,076	81,135	40,666	612,911	1,495,932	1,459,690	36,242
Salaries and wages	52,036	211,710	42,712	1,527,376	3,449,645	3,332,081	117,564
Taxes paid	7,071	34,386	4,204	292,789	569,074	536,133	32,941
Travel	32,182	87,987	35,649	453,702	436,521	428,209	8,313
Utilities	12,668	97,604	11,620	387,241	779,685	748,474	31,212
Other business deductions	80,585	714,057	92,351	1,895,252	3,831,267	3,389,106	442,162
Home office business deductions, total	10,697	123,617	15,864	370,601	541,576	537,245	4,331
Depreciation, Form 8829 [3]	2,220	11,269	* 884	52,399	57,335	57,037	* 298
Casualty loss, Form 8829 [3]	0	* 1,959	0	* 4	* 3	* 3	0
Excess—casualty depreciations, Form 8829 [3]	* 545	* 1,746	* 438	* 2,827	11,921	11,921	0
<b>Net income [1,2]</b>	<b>775,250</b>	<b>2,276,899</b>	<b>494,610</b>	<b>10,277,052</b>	<b>19,554,621</b>	<b>19,225,753</b>	<b>328,868</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	10,407	22,553	7,702	95,816	629,915	627,752	* 2,164
Business receipts	122,416	105,988	98,506	620,603	4,108,692	4,103,236	* 5,456
Business deductions	14,958	18,688	* 4,728	100,229	497,550	497,539	* 11
Net income	107,458	87,300	93,778	520,373	3,611,142	3,605,697	* 5,445

Footnotes at end of table.



# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Educational services	Health care and social assistance					
		Total	Ambulatory health care services				
	Total		Total	Offices of physicians (except mental health specialists)	Offices of physicians, mental health specialists	Offices of dentists	Offices of chiropractors
	(123)	(124)	(125)	(126)	(127)	(128)	(129)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>596,859</b>	<b>2,016,418</b>	<b>997,226</b>	<b>194,531</b>	<b>31,439</b>	<b>93,114</b>	<b>37,789</b>
<b>Business receipts, total [1]</b>	<b>9,074,803</b>	<b>115,531,863</b>	<b>95,393,542</b>	<b>33,463,588</b>	<b>2,981,198</b>	<b>29,798,435</b>	<b>4,655,464</b>
Income from sales and operations [1]	8,148,842	113,730,022	93,991,594	32,806,108	2,821,114	29,663,589	4,621,783
Other business income	925,961	1,801,841	1,401,948	657,480	160,084	134,846	33,681
<b>Business deductions, total [1,2]</b>	<b>6,199,549</b>	<b>69,484,341</b>	<b>55,709,172</b>	<b>17,721,771</b>	<b>1,209,019</b>	<b>19,498,074</b>	<b>2,927,088</b>
Cost of sales and operations, total	1,344,624	5,754,242	5,076,697	1,279,905	* 24,506	1,811,015	98,259
Inventory, beginning of year	85,950	307,775	286,776	52,891	* 12,185	31,516	* 2,857
Cost of labor	56,399	1,040,583	890,999	200,756	* 12,917	296,914	* 10,440
Purchases	347,174	1,619,763	1,428,649	246,722	* 2,581	219,285	37,131
Materials and supplies	130,133	1,142,460	1,015,753	269,719	* 2,302	454,860	* 32,534
Other costs	865,013	1,943,566	1,730,251	572,005	* 6,882	837,639	* 18,467
Inventory, end of year	140,045	299,904	275,731	62,187	* 12,360	29,199	* 3,170
Advertising expenses	141,824	1,117,776	1,030,954	221,711	15,588	368,736	142,304
Car and truck expenses	638,907	3,286,097	2,094,079	418,261	74,176	186,077	81,714
Commissions	45,203	286,460	245,460	64,189	* 3,930	64,176	* 13,187
Contract labor	231,368	1,765,999	1,443,219	585,304	27,401	316,556	135,795
Depletion	0	4,244	4,240	1,571	0	* 1,636	0
Depreciation	231,761	2,662,152	2,160,202	600,719	46,634	946,400	105,382
Employee benefit programs	21,074	558,767	492,434	189,964	* 1,361	185,596	17,652
Insurance	60,959	2,551,811	2,290,833	1,244,985	71,261	477,758	97,857
Legal and professional services	139,298	1,387,397	1,239,638	512,309	51,367	273,669	73,723
Meals and entertainment deducted	63,193	560,929	347,171	88,838	18,313	72,333	21,447
Mortgage interest	28,359	691,203	343,236	78,947	* 15,240	112,494	38,292
Other interest paid on business indebtedness	41,989	600,645	523,721	120,967	4,531	264,730	33,343
Office expenses	146,822	1,832,035	1,619,491	485,265	47,243	542,730	126,905
Pension and profit-sharing plans	5,363	516,727	512,629	244,231	2,291	213,949	8,864
Rent paid on machinery and equipment	61,148	618,363	524,328	201,483	19,528	113,182	41,793
Rent paid on other business property	495,539	4,996,625	4,459,344	1,359,942	180,032	1,160,022	420,194
Repairs	93,395	951,158	705,719	192,596	18,345	279,935	52,948
Supplies	304,427	4,289,765	3,397,035	1,014,833	45,101	1,538,250	174,243
Salaries and wages	325,109	15,503,040	13,302,025	4,173,902	150,090	6,187,341	510,193
Taxes paid	102,958	2,181,807	1,857,218	578,296	31,431	774,715	87,043
Travel	230,480	835,389	671,569	214,344	37,832	107,537	29,778
Utilities	222,082	2,257,223	1,620,295	402,798	55,650	488,187	139,293
Other business deductions	903,565	12,024,120	9,133,725	3,340,435	232,106	2,963,251	453,421
Home office business deductions, total	192,764	1,882,232	438,474	81,042	31,907	37,668	21,671
Depreciation, Form 8829 [3]	25,599	192,693	53,923	17,495	1,571	3,666	2,903
Casualty loss, Form 8829 [3]	* 383	* 17,028	* 2,226	* [4]	0	0	0
Excess—casualty depreciations, Form 8829 [3]	25,396	140,327	38,840	15,481	* 7	* 1,373	* 2
<b>Net income less deficit [1,2]</b>	<b>2,879,254</b>	<b>46,056,668</b>	<b>39,676,719</b>	<b>15,722,884</b>	<b>1,772,180</b>	<b>10,300,714</b>	<b>1,728,493</b>
Net income [1,2]	3,612,035	48,286,449	41,107,694	16,239,483	1,797,035	10,431,676	1,745,278
Deficit [2]	-732,781	-2,229,782	-1,430,975	-516,599	-24,856	-130,962	-16,785

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Educational services	Health care and social assistance					
	Total	Total	Ambulatory health care services				
			Total	Offices of physicians (except mental health specialists)	Offices of physicians, mental health specialists	Offices of dentists	Offices of chiropractors
	(123)	(124)	(125)	(126)	(127)	(128)	(129)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns [1]	466,677	1,677,379	829,480	160,313	28,775	84,992	34,353
Business receipts, total [1]	7,042,678	107,695,993	91,188,521	31,988,061	2,923,924	29,148,584	4,505,208
Income from sales and operations [1]	6,936,392	106,149,905	89,960,753	31,416,013	2,765,306	29,015,824	4,473,896
Other business income	106,286	1,546,088	1,227,769	572,048	158,618	132,760	31,313
Business deductions, total [1,2]	3,433,186	59,402,113	50,072,877	15,730,139	1,126,888	18,716,966	2,759,930
Cost of sales and operations, total	345,315	5,062,174	4,666,561	1,121,754	* 24,387	1,753,556	85,450
Inventory, beginning of year	32,965	255,468	239,363	44,014	* 12,185	28,715	* 2,857
Cost of labor	* 47,495	862,339	763,648	166,394	* 12,917	273,933	* 2,105
Purchases	195,901	1,495,957	1,351,144	229,135	* 2,567	210,457	36,913
Materials and supplies	82,624	1,048,828	973,878	264,554	* 2,302	441,195	* 28,779
Other costs	40,372	1,641,452	1,567,426	465,980	* 6,384	827,552	* 17,966
Inventory, end of year	54,043	241,868	228,899	48,323	* 11,967	28,295	* 3,170
Advertising expenses	91,428	983,770	932,547	199,090	14,679	343,856	139,858
Car and truck expenses	379,480	2,593,177	1,718,090	368,161	69,932	169,820	77,227
Commissions	28,910	196,493	162,523	60,264	* 3,930	37,352	* 13,187
Contract labor	173,771	1,526,129	1,274,076	504,554	27,401	291,841	111,035
Depletion	0	2,374	2,374	704	0	* 1,636	0
Depreciation	127,080	2,136,383	1,858,113	506,913	41,422	871,223	91,759
Employee benefit programs	15,631	516,631	476,120	185,200	* 1,361	182,035	17,581
Insurance	33,443	2,307,177	2,125,171	1,163,387	65,853	459,362	92,720
Legal and professional services	68,193	1,157,322	1,052,134	391,324	48,391	262,458	71,841
Meals and entertainment deducted	41,708	467,465	303,823	80,230	17,680	69,848	20,140
Mortgage interest	17,785	446,978	279,404	68,124	* 12,389	110,974	30,353
Other interest paid on business indebtedness	27,007	492,429	454,510	100,355	4,072	242,641	30,960
Office expenses	89,126	1,643,709	1,495,032	456,715	44,977	528,525	118,549
Pension and profit-sharing plans	3,517	502,698	501,693	234,809	2,291	213,331	8,864
Rent paid on machinery and equipment	30,938	528,516	460,576	174,059	19,528	108,901	41,600
Rent paid on other business property	352,979	4,399,618	4,046,344	1,274,790	172,550	1,126,332	388,324
Repairs	39,269	786,703	629,345	180,619	17,860	266,704	49,908
Supplies	188,175	3,683,161	3,083,502	911,314	40,309	1,474,502	168,839
Salaries and wages	221,359	14,031,545	12,570,324	3,886,477	140,157	6,047,567	505,142
Taxes paid	69,551	1,941,106	1,740,501	544,355	28,469	757,119	82,324
Travel	144,728	657,001	596,919	188,650	35,316	97,898	28,668
Utilities	141,972	1,864,156	1,441,689	362,055	51,516	471,875	128,061
Other business deductions	559,185	9,699,975	7,656,945	2,681,346	207,832	2,783,397	434,080
Home office business deductions, total	115,315	1,419,137	377,706	65,973	31,443	34,081	21,671
Depreciation, Form 8829 [3]	13,825	125,964	40,503	8,531	1,564	3,047	2,903
Casualty loss, Form 8829 [3]	* 359	* 6,315	* 2,226	* [4]	0	0	0
Excess—casualty depreciations, Form 8829 [3]	7,168	11,809	3,955	* 1,000	0	* 122	0
<b>Net income [1,2]</b>	<b>3,612,035</b>	<b>48,286,449</b>	<b>41,107,694</b>	<b>16,239,483</b>	<b>1,797,035</b>	<b>10,431,676</b>	<b>1,745,278</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	188,090	526,861	189,835	32,237	3,374	11,329	* 678
Business receipts	814,177	4,160,031	1,820,630	578,500	41,027	79,067	* 2,665
Business deductions	127,336	368,135	175,437	24,935	* 3,153	10,130	* 1,789
Net income	686,841	3,791,896	1,645,192	553,565	37,874	68,937	* 877

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Health care and social assistance—continued							
	Ambulatory health care services—continued							Hospitals
	Offices of optometrists	Offices of mental health practitioners and social therapists	Offices of podiatrists	Outpatient care centers and other miscellaneous health practitioners	Medical and diagnostic laboratories	Home health care services	Other ambulatory health care services (including ambulance services, blood, organ banks)	
	(130)	(131)	(132)	(133)	(134)	(135)	(136)	(137)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>18,985</b>	<b>174,713</b>	<b>6,388</b>	<b>156,836</b>	<b>31,782</b>	<b>224,827</b>	<b>26,822</b>	<b>8,834</b>
<b>Business receipts, total [1]</b>	<b>3,345,930</b>	<b>8,392,904</b>	<b>1,006,518</b>	<b>5,023,852</b>	<b>1,462,086</b>	<b>4,238,804</b>	<b>1,024,763</b>	<b>469,307</b>
Income from sales and operations [1]	3,337,184	8,328,451	990,144	4,836,205	1,391,874	4,196,341	998,800	467,933
Other business income	8,747	64,452	* 16,374	187,647	70,212	42,462	25,963	* 1,374
<b>Business deductions, total [1,2]</b>	<b>2,424,386</b>	<b>3,910,266</b>	<b>680,334</b>	<b>2,885,427</b>	<b>1,057,135</b>	<b>2,703,128</b>	<b>692,544</b>	<b>215,481</b>
Cost of sales and operations, total	741,111	262,677	35,252	244,025	222,266	235,204	122,477	* 557
Inventory, beginning of year	94,709	30,191	* 9,526	29,970	* 4,952	* 8,502	* 9,477	0
Cost of labor	* 7,500	* 78,654	0	* 17,414	* 82,113	179,593	* 4,698	0
Purchases	513,536	80,657	* 5,387	111,149	91,217	22,554	98,429	* 515
Materials and supplies	93,555	25,990	* 16,444	46,883	42,252	22,427	* 8,788	0
Other costs	110,231	82,879	* 13,285	66,244	* 6,120	* 6,205	* 10,293	* 41
Inventory, end of year	78,420	35,695	* 9,391	27,635	* 4,388	* 4,077	* 9,208	0
Advertising expenses	45,890	51,315	19,272	112,319	9,039	32,844	11,936	311
Car and truck expenses	44,142	359,081	22,163	285,136	74,927	476,662	71,740	3,649
Commissions	* 3,917	60,225	* 2,754	14,849	* 680	14,256	3,295	* 137
Contract labor	35,939	109,946	8,088	63,567	13,402	124,282	22,939	* 8,212
Depletion	* 11	* 4	0	* 19	0	* 999	0	0
Depreciation	80,782	132,250	16,563	123,412	42,437	50,006	15,617	4,605
Employee benefit programs	29,178	27,490	6,490	10,793	7,458	11,747	4,705	* 3,609
Insurance	37,888	116,169	65,997	89,677	21,852	49,790	17,599	7,574
Legal and professional services	31,911	131,684	14,284	83,220	26,479	28,095	12,897	5,699
Meals and entertainment deducted	6,345	42,937	6,127	29,533	7,086	45,496	8,717	5,243
Mortgage interest	3,872	6,757	* 4,315	24,418	5,536	50,033	* 3,331	* 1,337
Other interest paid on business indebtedness	20,908	17,202	4,737	25,582	11,837	16,069	3,815	* 422
Office expenses	46,185	159,272	35,418	90,454	25,936	47,384	12,699	700
Pension and profit-sharing plans	9,756	15,448	* 3,540	5,391	3,310	5,127	* 721	* 21
Rent paid on machinery and equipment	33,716	30,720	3,518	30,138	7,190	33,194	9,866	* 1,601
Rent paid on other business property	179,463	593,835	123,725	259,546	63,671	92,636	26,279	* 5,585
Repairs	20,750	38,426	6,666	31,965	13,627	43,316	7,145	* 1,822
Supplies	66,469	123,532	36,181	199,725	54,367	128,824	15,511	* 3,891
Salaries and wages	555,741	507,162	125,890	282,652	127,455	536,991	144,609	* 69,898
Taxes paid	77,186	92,938	17,345	57,664	49,048	72,934	18,618	* 6,619
Travel	9,901	89,924	8,776	85,234	15,935	55,459	16,851	4,437
Utilities	59,580	176,095	29,777	114,938	34,008	102,459	17,510	2,761
Other business deductions	277,740	618,657	82,425	523,558	191,465	340,177	110,490	68,294
Home office business deductions, total	* 1,988	108,980	* 444	64,074	22,015	63,050	* 5,635	* 3,517
Depreciation, Form 8829 [3]	* 208	14,668	* 105	6,674	* 712	5,252	* 668	* 963
Casualty loss, Form 8829 [3]	0	0	0	* 2,226	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 268	7,076	* 89	* 2,189	* 56	* 10,935	* 1,363	* 680
<b>Net income less deficit [1,2]</b>	<b>921,544</b>	<b>4,482,638</b>	<b>326,184</b>	<b>2,149,463</b>	<b>404,558</b>	<b>1,535,676</b>	<b>332,386</b>	<b>253,826</b>
Net income [1,2]	924,445	4,617,337	352,247	2,413,599	448,923	1,790,438	347,232	255,650
Deficit [2]	* -2,901	-134,699	* -26,063	-264,137	-44,365	-254,762	-14,847	* -1,824

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Health care and social assistance—continued							
	Ambulatory health care services—continued							Hospitals
	Offices of optometrists	Offices of mental health practitioners and social therapists	Offices of podiatrists	Outpatient care centers and other miscellaneous health practitioners	Medical and diagnostic laboratories	Home health care services	Other ambulatory health care services (including ambulance services, blood, organ banks)	
	(130)	(131)	(132)	(133)	(134)	(135)	(136)	(137)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns [1]	17,661	141,668	4,543	119,980	27,060	186,423	23,712	8,831
<b>Business receipts, total [1]</b>	<b>3,234,129</b>	<b>7,928,102</b>	<b>958,637</b>	<b>4,559,133</b>	<b>1,295,056</b>	<b>3,696,328</b>	<b>951,359</b>	<b>466,059</b>
Income from sales and operations [1]	3,225,389	7,864,278	942,263	4,382,747	1,293,697	3,656,076	925,263	465,744
Other business income	8,740	63,823	* 16,374	176,386	* 1,359	40,252	26,096	* 315
<b>Business deductions, total [1,2]</b>	<b>2,309,684</b>	<b>3,310,765</b>	<b>606,391</b>	<b>2,156,191</b>	<b>845,740</b>	<b>1,905,890</b>	<b>604,293</b>	<b>210,409</b>
Cost of sales and operations, total	729,419	162,819	34,942	195,779	219,985	216,477	121,991	0
Inventory, beginning of year	90,121	30,191	* 9,526	3,209	* 4,952	* 4,116	* 9,477	0
Cost of labor	* 7,500	* 22,850	0	* 14,310	* 82,100	* 176,841	* 4,698	0
Purchases	504,912	75,859	* 5,387	77,496	* 91,172	* 18,819	98,429	0
Materials and supplies	90,547	25,847	* 16,135	41,753	40,674	* 13,474	* 8,617	0
Other costs	110,231	43,767	* 13,285	61,514	* 5,475	* 5,294	* 9,978	0
Inventory, end of year	73,892	35,695	* 9,391	2,503	* 4,388	* 2,067	* 9,208	0
Advertising expenses	44,401	45,066	14,135	88,997	8,776	22,829	10,860	* 256
Car and truck expenses	40,937	300,726	17,912	223,383	58,100	339,767	52,126	3,649
Commissions	* 3,917	15,514	* 2,754	13,691	* 677	8,322	* 2,915	* 137
Contract labor	35,292	108,428	8,088	58,646	12,972	97,047	18,771	* 8,212
Depletion	* 11	* 4	0	* 19	0	0	0	0
Depreciation	68,808	112,198	16,482	74,023	32,086	30,144	13,057	* 2,975
Employee benefit programs	27,903	27,266	6,490	6,209	7,228	10,150	4,697	* 3,566
Insurance	36,207	98,867	61,788	79,998	20,083	32,577	14,327	* 7,571
Legal and professional services	31,414	121,197	12,491	56,480	23,773	21,487	11,277	5,695
Meals and entertainment deducted	6,096	38,321	4,523	25,381	5,235	30,167	6,202	5,243
Mortgage interest	3,624	* 5,038	* 4,315	7,468	* 3,143	33,281	* 694	* 1,337
Other interest paid on business indebtedness	20,903	13,991	4,737	16,550	6,810	9,675	3,815	* 422
Office expenses	44,159	140,985	32,606	61,491	24,067	33,319	9,638	695
Pension and profit-sharing plans	9,756	15,113	* 3,540	4,887	3,266	5,114	* 721	* 21
Rent paid on machinery and equipment	32,704	29,441	2,705	23,886	4,217	14,109	9,425	* 1,601
Rent paid on other business property	167,600	520,958	88,334	202,316	58,828	25,562	20,750	* 5,580
Repairs	18,339	32,926	6,666	25,353	10,844	14,844	5,282	* 1,757
Supplies	64,200	108,209	29,175	139,628	49,127	84,816	13,383	* 3,891
Salaries and wages	534,631	459,375	125,890	219,025	118,465	409,856	123,739	* 69,301
Taxes paid	74,890	82,241	16,148	40,437	45,159	54,559	14,800	* 6,615
Travel	9,633	83,792	8,245	71,740	10,410	46,799	15,769	4,421
Utilities	57,126	151,023	28,691	81,912	29,304	67,694	12,432	2,577
Other business deductions	241,707	509,627	75,287	347,916	65,791	204,590	105,372	66,388
Home office business deductions, total	* 1,988	90,099	* 444	59,407	* 21,290	46,607	* 4,703	* 3,517
Depreciation, Form 8829 [3]	* 208	12,588	* 105	5,850	* 655	4,572	* 479	* 963
Casualty loss, Form 8829 [3]	0	0	0	* 2,226	0	0	0	0
Excess—casualty depreciations, Form 8829 [3]	* 268	* 1,640	* 89	* 835	0	0	0	* 680
<b>Net income [1,2]</b>	<b>924,445</b>	<b>4,617,337</b>	<b>352,247</b>	<b>2,413,599</b>	<b>448,923</b>	<b>1,790,438</b>	<b>347,232</b>	<b>255,650</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	* 2,394	18,291	* 300	32,885	11,271	69,304	7,772	6,012
Business receipts	* 12,655	200,511	* 587	308,203	45,898	503,611	47,906	46,307
Business deductions	* 4,020	37,541	* 587	33,539	6,106	46,094	7,545	* 4,982
Net income	* 8,635	162,970	0	274,664	39,793	457,517	40,361	41,325

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Health care and social assistance—continued			Arts, entertainment, and recreation			
	Nursing and residential care facilities	Social assistance	Child day care services	Total	Performing arts, spectator sports, and related industries	Museums, historical sites, and similar institutions	Amusement, gambling, and recreation industries
	(138)	(139)	(140)	(141)	(142)	(143)	(144)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>57,491</b>	<b>154,984</b>	<b>797,883</b>	<b>1,283,267</b>	<b>1,068,030</b>	<b>3,401</b>	<b>211,836</b>
<b>Business receipts, total [1]</b>	<b>4,127,048</b>	<b>3,082,088</b>	<b>12,459,877</b>	<b>31,043,663</b>	<b>23,926,664</b>	<b>29,469</b>	<b>7,087,530</b>
Income from sales and operations [1]	4,091,835	3,070,820	12,107,840	30,149,757	23,266,013	29,469	6,854,275
Other business income	35,213	11,268	352,037	893,906	660,651	0	233,255
<b>Business deductions, total [1,2]</b>	<b>3,765,975</b>	<b>1,913,351</b>	<b>7,880,361</b>	<b>23,451,641</b>	<b>16,546,254</b>	<b>6,298</b>	<b>6,899,089</b>
Cost of sales and operations, total	262,363	187,592	227,033	3,242,248	2,017,833	* 526	1,223,888
Inventory, beginning of year	9,219	* 3,850	* 7,929	702,814	533,334	* 16	169,464
Cost of labor	73,118	* 51,238	25,228	279,691	171,731	* 84	107,877
Purchases	28,941	* 86,432	75,225	1,306,959	748,307	* 152	558,501
Materials and supplies	52,232	* 24,059	50,416	498,809	389,307	0	109,502
Other costs	108,601	* 27,713	76,959	1,168,465	725,083	* 287	443,095
Inventory, end of year	9,750	* 5,700	* 8,724	714,490	549,929	* 11	164,550
Advertising expenses	14,433	23,041	49,036	536,219	355,665	* 69	180,485
Car and truck expenses	182,170	353,146	653,053	1,962,915	1,613,377	* 559	348,979
Commissions	6,790	* 8,950	25,123	637,696	618,686	0	19,009
Contract labor	57,735	22,678	234,154	782,996	544,242	* 10	238,744
Depletion	0	0	* 4	1,961	1,800	0	* 161
Depreciation	142,551	64,040	290,755	1,465,100	1,116,332	* 282	348,485
Employee benefit programs	51,536	* 3,961	7,227	66,020	18,963	0	47,056
Insurance	94,752	33,585	125,067	270,584	155,274	* 37	115,274
Legal and professional services	48,121	31,463	62,477	537,514	474,849	* 125	62,541
Meals and entertainment deducted	14,345	27,166	167,004	352,413	314,381	* 38	37,994
Mortgage interest	169,501	14,249	162,881	107,499	42,850	* 167	64,483
Other interest paid on business indebtedness	40,399	10,901	25,203	224,044	140,882	0	83,161
Office expenses	36,508	50,461	124,875	352,020	286,137	* 258	65,625
Pension and profit-sharing plans	3,869	* 208	0	20,260	17,771	0	2,489
Rent paid on machinery and equipment	21,373	18,262	52,799	224,842	132,997	* 143	91,702
Rent paid on other business property	190,345	120,899	220,452	1,139,292	580,819	* 225	558,248
Repairs	58,958	17,122	167,536	451,562	322,120	* 40	129,402
Supplies	114,284	59,879	714,676	938,388	767,336	* 38	171,014
Salaries and wages	1,011,918	222,567	896,632	1,329,963	705,096	* 150	624,717
Taxes paid	149,672	35,857	132,442	355,191	171,129	* 46	184,016
Travel	22,150	101,921	35,312	1,191,411	1,057,586	* 935	132,890
Utilities	149,296	84,270	400,602	649,539	442,569	52	206,917
Other business deductions	820,438	352,235	1,649,427	5,747,675	3,886,730	1,017	1,859,928
Home office business deductions, total	94,748	43,217	1,302,277	629,265	574,622	0	54,642
Depreciation, Form 8829 [3]	10,925	3,550	123,332	123,487	115,234	0	8,254
Casualty loss, Form 8829 [3]	0	0	* 14,802	* 16	* 16	0	0
Excess—casualty depreciations, Form 8829 [3]	* 9,334	* 1,896	89,578	84,471	75,751	0	8,720
<b>Net income less deficit [1,2]</b>	<b>371,110</b>	<b>1,171,489</b>	<b>4,583,523</b>	<b>7,562,358</b>	<b>7,340,857</b>	<b>23,171</b>	<b>198,330</b>
Net income [1,2]	501,734	1,306,503	5,114,868	11,410,732	10,275,232	25,364	1,110,136
Deficit [2]	-130,624	-135,014	-531,345	-3,848,374	-2,934,375	-2,193	-911,806

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Health care and social assistance—continued			Arts, entertainment, and recreation			
	Nursing and residential care facilities	Social assistance	Child day care services	Total	Performing arts, spectator sports, and related industries	Museums, historical sites, and similar institutions	Amusement, gambling, and recreation industries
	(138)	(139)	(140)	(141)	(142)	(143)	(144)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns [1]	46,231	117,669	675,168	783,394	649,255	2,711	131,428
<b>Business receipts, total [1]</b>	<b>2,650,615</b>	<b>2,762,097</b>	<b>10,628,701</b>	<b>24,742,954</b>	<b>20,327,153</b>	<b>28,675</b>	<b>4,387,126</b>
Income from sales and operations [1]	2,623,438	2,751,429	10,348,542	24,115,814	19,850,664	28,675	4,236,475
Other business income	27,177	10,668	280,159	627,140	476,489	0	150,651
<b>Business deductions, total [1,2]</b>	<b>2,149,401</b>	<b>1,455,594</b>	<b>5,513,833</b>	<b>13,325,555</b>	<b>10,045,183</b>	<b>* 3,311</b>	<b>3,277,061</b>
Cost of sales and operations, total	155,573	* 127,337	112,703	1,985,390	1,300,323	* 156	684,911
Inventory, beginning of year	* 5,571	* 3,850	* 6,683	194,454	151,452	* 16	42,986
Cost of labor	67,249	* 17,308	* 14,133	163,969	148,034	0	* 15,935
Purchases	24,855	* 85,151	34,806	865,977	519,043	* 152	346,782
Materials and supplies	* 21,316	* 15,935	37,698	256,137	180,693	0	75,444
Other costs	42,103	* 10,374	* 21,549	718,086	469,897	0	248,189
Inventory, end of year	* 5,521	* 5,281	* 2,167	213,233	168,796	* 11	44,425
Advertising expenses	7,973	15,693	27,302	284,233	220,384	* 10	63,839
Car and truck expenses	139,227	267,933	464,279	1,154,658	957,825	* 58	196,775
Commissions	* 5,787	* 8,818	19,228	551,095	540,443	0	10,653
Contract labor	34,687	21,059	188,095	526,829	370,450	0	156,379
Depletion	0	0	0	569	563	0	* 5
Depreciation	80,542	41,030	153,723	660,441	541,237	* 205	118,999
Employee benefit programs	28,418	* 3,434	* 5,093	22,672	10,501	0	12,171
Insurance	59,787	25,095	89,554	144,115	95,522	* 3	48,590
Legal and professional services	26,894	26,777	45,822	337,046	313,126	* 108	23,812
Meals and entertainment deducted	12,799	22,605	122,995	236,336	211,776	* 27	24,532
Mortgage interest	66,991	9,915	89,331	31,838	17,389	0	14,450
Other interest paid on business indebtedness	9,561	8,646	19,290	81,622	55,576	0	26,046
Office expenses	27,744	41,202	79,036	218,960	188,573	* 29	30,358
Pension and profit-sharing plans	776	* 208	0	15,694	14,412	0	1,282
Rent paid on machinery and equipment	14,121	16,361	35,857	135,736	88,421	* 1	47,314
Rent paid on other business property	90,382	107,113	150,199	591,563	329,385	* 53	262,125
Repairs	32,942	11,621	111,038	161,666	120,710	* [4]	40,956
Supplies	62,634	42,236	490,898	509,189	437,110	* 5	72,074
Salaries and wages	588,198	201,729	601,993	661,960	344,841	* 3	317,116
Taxes paid	79,653	32,287	82,049	193,078	111,209	* 1	81,868
Travel	17,600	16,432	21,629	771,103	707,627	* 880	62,597
Utilities	88,642	68,724	262,524	372,953	278,953	* 35	93,966
Other business deductions	459,264	275,795	1,241,582	2,982,418	2,175,591	* 160	806,667
Home office business deductions, total	51,485	37,861	948,568	468,765	433,862	0	34,903
Depreciation, Form 8829 [3]	* 4,774	3,189	76,536	89,979	85,113	0	4,866
Casualty loss, Form 8829 [3]	0	0	* 4,088	* 16	* 16	0	0
Excess—casualty depreciations, Form 8829 [3]	0	* 170	* 7,004	12,864	11,046	0	* 1,818
<b>Net income [1,2]</b>	<b>501,734</b>	<b>1,306,503</b>	<b>5,114,868</b>	<b>11,410,732</b>	<b>10,275,232</b>	<b>25,364</b>	<b>1,110,136</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	12,664	39,515	278,835	262,084	207,749	* 2,432	51,903
Business receipts	54,871	230,389	2,007,835	1,244,196	1,059,056	* 15,002	170,138
Business deductions	7,720	25,681	154,314	235,024	186,208	* 1,578	47,238
Net income	47,151	204,707	1,853,521	1,009,172	872,848	* 13,424	122,900

Footnotes at end of table.



# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Accommodation, food services, and drinking places						Other services
	Total	Accommodation				Food services and drinking places	Total
		Total	Travel accommodation (including hotels, motels, and bed and breakfast inns)	RV (recreational vehicle) parks and recreational camps	Rooming and boarding houses		
	(145)	(146)	(147)	(148)	(149)	(150)	(151)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
<b>Number of returns [1]</b>	<b>411,451</b>	<b>50,553</b>	<b>30,966</b>	<b>10,702</b>	<b>8,885</b>	<b>360,898</b>	<b>2,416,229</b>
<b>Business receipts, total [1]</b>	<b>47,792,244</b>	<b>5,516,079</b>	<b>4,503,414</b>	<b>500,436</b>	<b>512,229</b>	<b>42,276,165</b>	<b>84,794,547</b>
Income from sales and operations [1]	47,433,683	5,445,824	4,437,867	499,474	508,484	41,987,858	83,934,066
Other business income	358,562	70,254	65,547	963	* 3,744	288,307	860,481
<b>Business deductions, total [1,2]</b>	<b>46,564,124</b>	<b>5,579,015</b>	<b>4,551,270</b>	<b>493,937</b>	<b>533,807</b>	<b>40,985,109</b>	<b>65,566,771</b>
Cost of sales and operations, total	18,678,376	556,551	508,663	23,373	* 24,515	18,121,825	19,909,351
Inventory, beginning of year	600,792	50,266	37,006	1,624	* 11,636	550,526	1,751,565
Cost of labor	1,195,793	100,144	95,402	* 1,272	* 3,469	1,095,649	1,890,194
Purchases	15,590,478	186,110	168,084	16,580	* 1,446	15,404,368	12,015,973
Materials and supplies	1,386,650	76,369	75,288	* 330	* 751	1,310,281	4,687,159
Other costs	584,756	189,006	165,101	* 5,235	* 18,670	395,750	1,463,046
Inventory, end of year	680,093	45,344	32,218	* 1,668	* 11,459	634,749	1,898,587
Advertising expenses	802,931	118,022	99,686	9,759	8,577	684,909	1,196,558
Car and truck expenses	865,557	111,050	63,098	23,326	24,626	754,507	4,964,881
Commissions	167,215	80,302	77,718	* 205	2,379	86,913	663,543
Contract labor	451,284	63,744	53,342	3,250	* 7,151	387,540	2,342,036
Depletion	* 3,439	* 3,366	* 3,366	0	0	* 73	18,001
Depreciation	1,801,909	594,201	501,768	45,992	46,442	1,207,707	2,771,260
Employee benefit programs	81,447	19,751	15,975	* 956	* 2,820	61,695	115,484
Insurance	796,664	167,878	130,088	19,406	18,384	628,786	1,284,130
Legal and professional services	337,992	62,248	51,278	4,692	6,279	275,743	536,250
Meals and entertainment deducted	93,152	10,723	8,112	1,166	1,445	82,429	313,355
Mortgage interest	780,849	501,349	414,071	28,406	58,872	279,500	456,261
Other interest paid on business indebtedness	369,615	115,980	88,612	19,888	* 7,480	253,635	556,406
Office expenses	214,993	49,193	31,775	10,720	6,699	165,800	846,706
Pension and profit-sharing plans	12,726	3,025	1,580	* 9	* 1,437	9,701	13,825
Rent paid on machinery and equipment	408,024	17,076	13,378	1,364	* 2,334	390,948	922,868
Rent paid on other business property	3,258,012	155,042	146,340	6,229	* 2,474	3,102,969	5,758,461
Repairs	976,806	277,092	207,685	34,780	34,627	699,714	1,080,499
Supplies	1,261,419	260,884	203,724	17,335	39,824	1,000,535	4,077,762
Salaries and wages	6,840,125	689,090	590,845	33,723	64,523	6,151,035	5,252,003
Taxes paid	2,012,772	389,211	323,044	37,119	29,047	1,623,561	1,473,947
Travel	109,904	34,027	27,570	4,847	1,611	75,876	522,326
Utilities	2,805,160	567,263	440,358	65,516	61,389	2,237,897	3,090,637
Other business deductions	3,322,855	708,336	528,626	100,256	79,453	2,614,519	6,126,434
Home office business deductions, total	64,574	15,478	14,882	0	* 595	49,096	746,840
Depreciation, Form 8829 [3]	11,554	3,938	* 3,894	0	* 44	7,616	120,928
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	* 1,070
Excess—casualty depreciations, Form 8829 [3]	26,555	* 21,550	* 21,550	0	0	* 5,005	81,415
<b>Net income less deficit [1,2]</b>	<b>1,239,437</b>	<b>-52,004</b>	<b>-36,987</b>	<b>6,860</b>	<b>-21,877</b>	<b>1,291,441</b>	<b>19,243,943</b>
Net income [1,2]	3,964,887	611,072	485,658	59,658	65,755	3,353,816	22,828,669
Deficit [2]	-2,725,450	-663,075	-522,646	-52,799	-87,631	-2,062,375	-3,584,726

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Accommodation, food services, and drinking places						Other services
	Total	Accommodation				Food services and drinking places	Total
		Total	Travel accommodation (including hotels, motels, and bed and breakfast inns)	RV (recreational vehicle) parks and recreational camps	Rooming and boarding houses		
	(145)	(146)	(147)	(148)	(149)	(150)	(151)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns [1]	263,332	27,192	16,211	7,657	3,325	236,140	1,915,583
<b>Business receipts, total [1]</b>	<b>34,879,565</b>	<b>3,121,187</b>	<b>2,539,278</b>	<b>277,078</b>	<b>304,831</b>	<b>31,758,378</b>	<b>72,514,673</b>
Income from sales and operations [1]	34,642,624	3,098,879	2,517,546	276,518	304,815	31,543,745	71,824,983
Other business income	236,941	22,308	21,732	* 561	* 15	214,633	689,690
<b>Business deductions, total [1,2]</b>	<b>30,914,652</b>	<b>2,510,051</b>	<b>2,053,533</b>	<b>217,420</b>	<b>239,098</b>	<b>28,404,601</b>	<b>49,686,280</b>
Cost of sales and operations, total	13,526,695	284,398	257,071	* 7,565	* 19,762	13,242,297	15,894,503
Inventory, beginning of year	371,008	18,788	18,121	* 668	0	352,220	976,772
Cost of labor	841,381	22,247	18,809	* 44	* 3,393	819,134	1,727,821
Purchases	11,499,123	120,393	113,174	* 7,219	0	11,378,729	9,709,556
Materials and supplies	870,533	17,607	16,612	* 244	* 751	852,925	3,461,524
Other costs	354,075	120,644	104,761	* 265	* 15,618	233,431	1,130,558
Inventory, end of year	409,425	15,282	14,407	* 875	0	394,143	1,111,729
Advertising expenses	508,503	49,305	37,854	5,995	5,456	459,198	810,190
Car and truck expenses	537,676	55,704	30,114	13,350	* 12,240	481,972	3,557,631
Commissions	114,016	55,037	54,774	* 132	* 132	58,979	501,649
Contract labor	223,954	29,713	24,503	* 2,397	* 2,813	194,241	1,836,986
Depletion	* 3,310	* 3,271	* 3,271	0	0	* 38	2,555
Depreciation	820,132	185,522	156,447	10,888	18,187	634,610	1,790,791
Employee benefit programs	37,744	3,887	3,551	* 311	* 24	33,857	93,022
Insurance	494,984	78,766	60,974	9,728	8,064	416,218	956,616
Legal and professional services	177,754	18,378	12,855	1,636	3,886	159,376	385,675
Meals and entertainment deducted	51,401	4,352	2,548	* 744	* 1,060	47,049	225,846
Mortgage interest	343,801	191,321	162,071	* 12,015	* 17,236	152,479	325,971
Other interest paid on business indebtedness	163,608	41,475	30,991	* 3,685	* 6,799	122,133	349,191
Office expenses	124,082	22,526	11,508	6,506	* 4,511	101,556	586,589
Pension and profit-sharing plans	10,622	1,140	* 1,131	* 9	0	9,482	13,493
Rent paid on machinery and equipment	240,788	8,181	5,136	* 1,241	* 1,805	232,606	722,176
Rent paid on other business property	2,243,084	73,379	66,559	* 4,600	* 2,220	2,169,704	4,510,472
Repairs	608,156	137,706	100,634	14,935	22,137	470,450	730,984
Supplies	722,333	130,847	97,719	11,077	22,051	591,486	3,069,817
Salaries and wages	4,577,239	331,875	283,076	27,065	* 21,734	4,245,365	4,023,415
Taxes paid	1,353,306	208,740	174,636	21,945	12,159	1,144,566	1,117,030
Travel	61,524	8,598	5,649	* 2,712	* 237	52,926	371,738
Utilities	1,855,258	319,033	251,142	36,871	31,020	1,536,225	2,306,253
Other business deductions	2,032,484	258,044	213,508	20,389	24,146	1,774,440	4,439,820
Home office business deductions, total	36,942	* 723	* 127	0	* 595	36,219	538,625
Depreciation, Form 8829 [3]	3,048	* 52	* 7	0	* 44	2,997	92,968
Casualty loss, Form 8829 [3]	0	0	0	0	0	0	* 1,070
Excess—casualty depreciations, Form 8829 [3]	0	0	0	0	0	0	10,967
<b>Net income [1,2]</b>	<b>3,964,887</b>	<b>611,072</b>	<b>485,658</b>	<b>59,658</b>	<b>65,755</b>	<b>3,353,816</b>	<b>22,828,669</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns	68,632	6,100	* 2,619	* 2,827	* 654	62,532	528,482
Business receipts	357,345	27,259	* 16,890	* 7,753	* 2,615	330,087	4,065,273
Business deductions	46,325	* 8,132	* 5,685	* 1,623	* 824	38,194	526,944
Net income	311,020	19,127	* 11,205	* 6,131	* 1,791	291,893	3,538,328

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Other services—continued						Religious, grantmaking, civic, professional, and similar organizations	Unclassified establishments
	Auto repair and maintenance				Miscellaneous repairs	Personal and laundry services		
	Total	Automotive mechanical and electrical repair and maintenance	Automotive body shops	Other auto repair and maintenance (including oil change, lube, and car washes)				
	(152)	(153)	(154)	(155)	(156)	(157)	(158)	(159)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
<b>Number of returns [1]</b>	<b>396,524</b>	<b>201,736</b>	<b>94,635</b>	<b>100,154</b>	<b>436,413</b>	<b>1,583,292</b>	<b>251,516</b>	<b>527,305</b>
<b>Business receipts, total [1]</b>	<b>24,233,685</b>	<b>11,649,833</b>	<b>7,575,242</b>	<b>5,008,610</b>	<b>16,990,817</b>	<b>43,570,044</b>	<b>3,521,657</b>	<b>5,483,508</b>
Income from sales and operations [1]	24,095,602	11,539,322	7,568,093	4,988,188	16,842,393	42,996,070	3,218,454	5,433,948
Other business income	138,082	110,511	7,149	20,422	148,424	573,974	303,203	49,560
<b>Business deductions, total [1,2]</b>	<b>21,287,519</b>	<b>10,211,848</b>	<b>6,581,232</b>	<b>4,494,438</b>	<b>13,452,326</b>	<b>30,826,926</b>	<b>1,774,666</b>	<b>3,124,297</b>
Cost of sales and operations, total	9,023,050	4,599,547	2,849,289	1,574,213	5,494,444	5,391,856	25,068	518,170
Inventory, beginning of year	734,763	361,896	183,721	189,147	441,404	575,398	* 7,340	62,342
Cost of labor	673,001	354,755	224,286	93,960	412,917	804,275	* 13,982	* 40,825
Purchases	6,094,590	3,323,220	1,633,359	1,138,011	3,272,734	2,648,649	* 1,225	256,203
Materials and supplies	1,774,720	796,288	729,100	249,332	1,620,991	1,291,447	* 3,092	99,763
Other costs	534,841	164,348	265,800	104,693	265,782	662,422	* 6,673	147,908
Inventory, end of year	788,866	400,960	186,976	200,930	519,385	590,335	* 7,243	88,871
Advertising expenses	293,702	129,855	92,219	71,628	181,669	721,187	30,053	58,700
Car and truck expenses	1,167,119	524,227	347,281	295,611	1,414,868	2,382,894	575,054	500,605
Commissions	75,251	57,094	8,107	* 10,050	36,295	551,997	* 27,235	99,940
Contract labor	580,513	235,742	163,368	181,403	510,208	1,251,315	34,591	109,187
Depletion	* 1,220	* 425	0	* 795	* 14,980	1,801	0	117
Depreciation	979,351	447,075	252,715	279,561	549,868	1,242,042	46,864	136,188
Employee benefit programs	50,279	17,761	23,110	9,409	33,977	31,228	* 4,732	1,788
Insurance	509,434	252,046	154,642	102,746	280,553	494,143	16,096	60,442
Legal and professional services	122,588	62,244	35,712	24,632	84,368	329,295	28,949	108,684
Meals and entertainment deducted	62,810	24,178	21,164	17,467	63,408	187,137	45,155	51,224
Mortgage interest	195,346	102,738	39,393	53,215	81,557	179,357	* 9,813	39,049
Other interest paid on business indebtedness	200,592	81,138	45,773	73,680	131,646	224,168	* 1,762	14,459
Office expenses	184,515	89,331	67,843	27,342	146,248	515,943	72,984	59,192
Pension and profit-sharing plans	* 3,101	* 122	* 2,783	* 197	* 2,530	8,194	* 861	* 21
Rent paid on machinery and equipment	229,664	75,341	97,920	56,403	99,824	593,380	8,975	58,330
Rent paid on other business property	905,917	389,114	286,129	230,675	370,432	4,482,112	19,248	80,157
Repairs	349,885	193,926	83,516	72,444	176,317	554,297	15,878	104,694
Supplies	909,229	396,622	296,050	216,557	794,813	2,373,720	82,671	129,829
Salaries and wages	1,918,721	742,864	739,963	435,894	829,913	2,503,368	* 11,518	109,705
Taxes paid	599,135	284,049	181,862	133,224	267,723	607,089	10,144	27,735
Travel	68,549	23,541	24,839	20,168	113,763	340,014	131,585	68,932
Utilities	857,765	395,444	256,167	206,154	425,986	1,806,886	85,688	70,418
Other business deductions	1,813,168	1,013,460	442,413	357,296	1,071,166	3,242,100	414,390	560,357
Home office business deductions, total	90,129	37,098	33,940	19,091	204,938	451,774	26,270	23,157
Depreciation, Form 8829 [3]	10,210	* 2,981	2,913	* 4,316	63,481	47,238	4,430	3,808
Casualty loss, Form 8829 [3]	0	0	0	0	0	* 1,070	0	0
Excess—casualty depreciations, Form 8829 [3]	* 15,862	* 6,633	* 990	* 8,239	14,643	50,910	* 7,915	* 3,115
<b>Net income less deficit [1,2]</b>	<b>2,953,965</b>	<b>1,445,041</b>	<b>994,323</b>	<b>514,601</b>	<b>3,545,184</b>	<b>12,744,795</b>	<b>1,752,897</b>	<b>2,351,330</b>
Net income [1,2]	3,863,109	1,891,915	1,172,160	799,034	4,147,093	14,818,467	2,072,527	2,901,164
Deficit [2]	-909,145	-446,875	-177,837	-284,433	-601,909	-2,073,672	-319,630	-549,834

Footnotes at end of table.

# Sole Proprietorship Returns, 2007

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**Table 2. Nonfarm Sole Proprietorships: Income Statements, by Industrial Sectors, Tax Year 2007—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Net income status, item	Other services—continued						Religious, grantmaking, civic, professional, and similar organizations	Unclassified establishments
	Auto repair and maintenance				Miscellaneous repairs	Personal and laundry services		
	Total	Automotive mechanical and electrical repair and maintenance	Automotive body shops	Other auto repair and maintenance (including oil change, lube, and car washes)				
	(152)	(153)	(154)	(155)	(156)	(157)	(158)	(159)
<b>BUSINESSES WITH NET INCOME</b>								
<b>Number of returns [1]</b>	<b>305,856</b>	<b>154,941</b>	<b>75,412</b>	<b>75,503</b>	<b>334,471</b>	<b>1,275,256</b>	<b>201,412</b>	<b>443,351</b>
<b>Business receipts, total [1]</b>	<b>19,928,520</b>	<b>9,543,976</b>	<b>6,440,614</b>	<b>3,943,930</b>	<b>14,826,271</b>	<b>37,759,882</b>	<b>3,292,324</b>	<b>4,785,400</b>
Income from sales and operations [1]	19,862,171	9,475,887	6,454,598	3,931,686	14,680,959	37,281,853	2,993,296	4,730,527
Other business income	66,349	68,089	-13,984	12,244	145,312	478,029	299,028	54,873
<b>Business deductions, total [1,2]</b>	<b>16,065,411</b>	<b>7,652,060</b>	<b>5,268,454</b>	<b>3,144,896</b>	<b>10,679,178</b>	<b>22,941,692</b>	<b>1,222,640</b>	<b>1,884,561</b>
Cost of sales and operations, total	7,247,844	3,745,017	2,318,321	1,184,506	4,577,647	4,069,012	* 18,890	284,263
Inventory, beginning of year	428,495	206,375	122,725	99,395	256,780	291,497	* 2,020	* 40,480
Cost of labor	600,200	348,108	163,789	88,303	374,409	753,211	* 13,982	* 2,975
Purchases	5,071,337	2,895,040	1,352,711	823,586	2,727,601	1,910,619	* 1,225	125,850
Materials and supplies	1,195,964	406,288	592,353	197,323	1,299,955	965,605	* 3,092	79,736
Other costs	434,872	131,987	227,886	74,999	244,100	451,586	* 495	89,950
Inventory, end of year	483,024	242,782	141,142	99,100	325,199	303,506	* 1,923	* 54,727
Advertising expenses	223,443	98,180	77,942	47,321	132,203	454,544	14,386	42,603
Car and truck expenses	828,222	312,626	287,149	228,447	1,060,454	1,668,955	375,887	345,416
Commissions	47,804	32,203	* 6,641	* 8,960	25,673	428,171	* 16,114	18,841
Contract labor	413,234	188,930	107,761	116,542	390,890	1,032,862	19,818	95,158
Depletion	* 1,220	* 425	0	* 795	* 738	* 597	0	* 65
Depreciation	599,663	292,538	168,877	138,248	409,886	781,242	31,081	95,491
Employee benefit programs	45,867	15,095	21,720	* 9,052	27,684	19,472	* 4,665	* 1,101
Insurance	376,985	180,860	127,306	68,819	225,363	354,268	9,263	36,136
Legal and professional services	99,332	50,464	30,537	18,331	61,187	225,156	16,826	69,493
Meals and entertainment deducted	43,360	13,941	16,908	12,511	52,096	130,390	33,603	30,189
Mortgage interest	121,605	74,410	32,874	14,321	71,148	133,218	* 6,847	22,355
Other interest paid on business indebtedness	117,751	54,449	32,754	30,547	86,955	144,485	* 1,750	7,413
Office expenses	141,990	65,432	55,577	20,981	117,755	326,845	50,736	34,700
Pension and profit-sharing plans	* 3,101	* 122	* 2,783	* 197	* 2,527	7,865	* 861	* 7
Rent paid on machinery and equipment	195,747	52,514	93,620	49,613	85,555	440,874	* 3,732	41,237
Rent paid on other business property	647,493	267,576	218,149	161,768	243,813	3,619,166	8,608	37,802
Repairs	200,938	90,755	59,437	50,745	139,552	390,494	9,123	63,570
Supplies	642,403	246,642	230,695	165,065	589,553	1,837,861	54,390	74,028
Salaries and wages	1,489,412	543,280	639,115	307,018	728,860	1,805,143	* 9,735	76,422
Taxes paid	469,052	221,210	153,678	94,164	223,805	424,173	4,994	17,504
Travel	38,742	18,343	9,208	11,192	90,523	242,472	98,745	47,925
Utilities	611,771	270,859	209,772	131,140	324,180	1,370,303	48,842	39,040
Other business deductions	1,299,072	750,156	303,391	245,526	792,839	2,347,909	315,031	256,746
Home office business deductions, total	62,875	29,165	29,205	* 4,504	147,461	328,290	20,481	19,257
Depreciation, Form 8829 [3]	6,673	* 2,658	2,473	* 1,542	58,078	28,218	3,078	1,952
Casualty loss, Form 8829 [3]	0	0	0	0	0	* 1,070	0	0
Excess—casualty depreciations, Form 8829 [3]	* 4,790	0	* 128	* 4,662	* 284	5,893	* 863	* 1
<b>Net income [1,2]</b>	<b>3,863,109</b>	<b>1,891,915</b>	<b>1,172,160</b>	<b>799,034</b>	<b>4,147,093</b>	<b>14,818,467</b>	<b>2,072,527</b>	<b>2,901,164</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns	84,100	45,930	14,210	23,960	82,952	361,431	66,279	295,954
Business receipts	760,931	450,169	153,201	157,560	515,170	2,789,172	322,041	1,483,515
Business deductions	96,485	36,867	35,034	24,584	70,831	359,628	49,080	133,218
Net income	664,445	413,302	118,167	132,976	444,339	2,429,544	272,961	1,350,296

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\* Data combined to prevent disclosure of taxpayer information.

[1] Includes returns with Schedule C-EZ attached. Schedule C-EZ was filed for certain small businesses, i.e., those with net incomes, business expenses of \$5,000 or less, used the cash accounting method, with no inventories or employees, and with no deduction for a home office business and no allowable "passive" activity losses. Because only a total is reported for business deductions on Schedule C-EZ, the totals shown in the statistics exceed the sum of the detailed deductions; the detailed deductions are, therefore, slightly understated.

[2] Total business deductions are before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from the prior years. However, these losses (after subtraction) and any carryover are reflected in net income or deficit. Therefore, total business receipts minus total business deductions may not always equal net income or deficit.

[3] These are selected line items from Form 8829, *Expenses for Business Use of Your Home*, and do not represent the total of the home office business deduction found on Schedule C.

[4] Less than \$500.

NOTE: Detail may not add to totals because of rounding.

# Individual Noncash Contributions, 2006

by Pearson Liddell and Janette Wilson

**F**or Tax Year 2006, 24.7 million individual taxpayers who itemized deductions reported \$52.6 billion in deductions for noncash charitable contributions.<sup>1</sup> Of these taxpayers, 6.2 million reported \$46.8 billion in deductions for charitable contributions on Form 8283, Noncash Charitable Contributions. This is the form used by individual taxpayers when the amount of taxpayer deductions for all noncash donations on Schedule A, Itemized Deductions, exceeds \$500. Despite the number of filers of Form 8283 declining by 5.9 percent between Tax Years 2005 and 2006, the amount of donation contributions increased 14.1 percent, from \$41.1 billion in Tax Year 2005.

For Tax Year 2006, corporate stock donations of \$23.0 billion, representing 49.1 percent of the total amount donated by taxpayers, increased 40.7 percent from \$16.3 billion for Tax Year 2005. For Tax Year 2006, there were two tax law changes that affected the deductions allowed for certain noncash contributions. Beginning on August 18, 2006, donations of clothing and household items were required to be in good condition or better in order for taxpayers to claim a deduction. In previous years, taxpayers were allowed to deduct the fair market value of all clothing and household items regardless of condition. While it is not known what effect this had on donations of these items, the amount deducted for clothing and household items declined 10.8 percent and 1.0 percent, respectively, between Tax Years 2005 and 2006. In previous years, from Tax Years 2003 to 2005, there was a steady increase in both clothing and household donations.<sup>2, 3</sup> The other tax law change added restrictions for deductions for façade easements, which took effect in the summer of 2006.<sup>4</sup>

Figure A shows that, for Tax Year 2006, corporate stock donations of \$23.0 billion accounted for the largest percentage of total noncash donations

(49.1 percent), followed by clothing (\$6.3 billion) and household donations (\$3.8 billion), which represented 13.4 percent and 8.2 percent, respectively, of the total amount donated.<sup>5</sup> Figure B shows a similar pattern for Tax Year 2005. Corporate stock donations were the largest at \$16.3 billion, followed by clothing and household item donations (\$7.0 billion and \$3.9 billion, respectively). The amount of corporate stock donations increased by \$6.7 billion, or 40.7 percent, between Tax Years 2005 and 2006, while the amount of clothing donations declined 10.8 percent, or 0.8 billion. The average corporate stock donation increased, from just over \$90,000 in Tax Year 2005 to almost \$123,000 in 2006, whereas the average clothing donation decreased slightly, from nearly \$1,500 in 2005 to just over \$1,450 in Tax Year 2006.

Some other significant changes in other categories for Tax Year 2006 are shown in Figure B. Donations of mutual funds increased 44.2 percent between Tax Years 2005 and 2006, from \$0.7 billion to almost \$1.0 billion. Also, donations of other investments, which represented 4.5 percent of the total donated amount in Tax Year 2006, increased 34.2 percent between Tax Years 2005 and 2006, from \$1.6 to \$2.1 billion. Land donations, which represented 4.8 percent of the amount donated in Tax Year 2006, declined 23.0 percent between 2005 and 2006, from \$2.9 billion to \$2.2 billion. The average land donation per return declined, from nearly \$295,000 in Tax Year 2005 to approximately \$172,000 in 2006.

Figure C shows that those taxpayers in the \$10 million or more adjusted gross income (AGI) category gave the most donations in terms of amount, giving \$17.8 billion, followed by those taxpayers in the \$100 thousand up to \$200 thousand AGI group who gave \$5.5 billion (which represented 38.0 percent and 11.8 percent of all donation amounts, respectively). The average donation of taxpayers in the \$10 million or more AGI category was \$2.9 million, and their noncash donations were 9.5 percent of their AGIs. By comparison, the average donation for those taxpayers in the \$100 under \$200 thousand AGI group was about \$2,700. This group donated

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<sup>1</sup> For further details on Tax Year 2006 individual income and tax statistics, see Statistics of Income—2006, Individual Income Tax Returns (IRS Publication 1304).

<sup>2</sup> See Wilson, Janette and Michael Strudler, "Individual Noncash Charitable Contributions, 2003," *Statistics of Income Bulletin*, Spring 2006, Volume 25, Number 4.

<sup>3</sup> See Wilson, Janette and Michael Strudler, "Individual Noncash Charitable Contributions, 2004," *Statistics of Income Bulletin*, Spring 2007, Volume 25, Number 4.

<sup>4</sup> Beginning July 25, 2006, a façade easement donation can be claimed as a deduction only if the contributed interest includes restrictions on preserving the exterior of the building. If a donation of this type is claimed, beginning August 17, 2006, a qualified appraisal and an exterior photograph must be included with the tax return.

<sup>5</sup> The deduction amounts reported in this article include the amount carried to Schedule A for reporting itemized deductions.

# Individual Noncash Contributions, 2006

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**Figure A**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Type, Form 8283, Tax Year 2006

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

Type of donation	Number of returns [1]	Number of donations	Amount carried to Schedule A	Average amount per return	Average amount per donation	Percentage of number of donations	Percentage of amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All donations</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>46,841,245</b>	<b>7,586</b>	<b>2,987</b>	<b>100.0</b>	<b>100.0</b>
Corporate stock	187,325	429,139	22,993,269	122,745	53,580	2.7	49.1
Mutual funds	10,498	16,735	965,673	91,989	57,703	0.1	2.1
Other investments	3,790	6,079	2,116,331	558,436	348,123	[2]	4.5
Real estate	4,550	4,674	1,358,630	298,628	290,699	[2]	2.9
Land	13,028	13,438	2,245,019	172,317	167,067	0.1	4.8
Conservation easements	3,402	3,529	1,489,589	437,895	422,092	[2]	3.2
Façade easements	1,143	1,145	264,575	231,572	231,167	[2]	0.6
Art and collectibles	108,374	147,896	1,222,044	11,276	8,263	0.9	2.6
Intellectual property	50	50	17,652	353,242	353,242	[2]	[2]
Food	156,081	218,370	96,294	617	441	1.4	0.2
Clothing	4,295,574	7,697,930	6,262,697	1,458	814	49.1	13.4
Accessories	40,421	50,637	34,388	851	679	0.3	0.1
Electronics	498,243	587,740	445,376	894	758	3.7	1.0
Household items	2,802,627	4,924,144	3,821,313	1,363	776	31.4	8.2
Cars	296,587	307,080	490,242	1,653	1,596	2.0	1.0
Other vehicles	9,975	11,418	70,395	7,057	6,165	0.1	0.2
Services	9,373	14,513	27,553	2,940	1,898	0.1	0.1
Airline tickets and miles	3,568	3,681	5,988	1,678	1,627	[2]	[2]
Other	846,505	1,243,834	2,914,218	3,443	2,343	7.9	6.2

[1] Total number of returns does not equal the sum of returns by donation type because a return could have more than one type of donation.

[2] Less than 0.05 percent.

2.0 percent of their AGIs. The average donation for all returns with a Form 8283 was just under \$7,600.

Figure D compares the percentage change in donation amounts by AGI group, which for all returns increased 14.1 percent, from \$41.1 billion in Tax Year 2005 to \$46.8 billion in 2006. However, most AGI groups showed declines in the amount of donations reported. There were some exceptions, with those taxpayers with \$10 million or more AGI reporting increased donation amounts of \$17.8 billion in 2006. This represented a 59.9-percent increase, from the \$11.1 billion reported for Tax Year 2005. The amount donated by this AGI group comprised 38.0 percent of total donations. Taxpayers in the \$100,000 under \$200,000 and \$200,000 under \$500,000 groups, combined, represented 21.0 percent of total donations. The donation amount for the latter group fell 6.1 percent in Tax Year 2006, to \$4.3 billion from \$4.6 billion in 2005.

Information on donee organizations is presented in Figures E, F, and G. Figure E shows that, for Tax

Year 2006, most donations were given to foundations, large organizations, and educational institutions (\$15.5 billion, \$8.0, billion, and \$4.8 billion, respectively). This was a slight change from 2005, when the first two categories were the same, but religious organizations were the third largest recipient (see Figure F). Donations to foundations represented 33.2 percent of the total donation amount, and the average donation was almost \$78,700. The second highest average donation was to donor-advised funds (just under \$55,000). However, in contrast to foundation donations, donor-advised fund donations represented only 4.2 percent of the total amount deducted on Schedule A.

Figure F shows that the amount claimed for foundation donations increased by 58.5 percent, from \$9.8 billion in 2005 to \$15.5 billion in Tax Year 2006, even though the number of returns with donations to these organizations decreased 7.8 percent. In addition, donations to the arts, culture, and humanities rose 29.3 percent, from \$1.3 billion in



# Individual Noncash Contributions, 2006

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**Figure B**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Type, Form 8283, Tax Years 2005 and 2006

[Money amounts are in thousands of dollars]

Type of donation	2005		2006		Percentage change	
	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All donations</b>	<b>6,559,140</b>	<b>41,070,632</b>	<b>6,174,855</b>	<b>46,841,245</b>	<b>-5.9</b>	<b>14.1</b>
Corporate stock	181,192	16,336,601	187,325	22,993,269	3.4	40.7
Mutual funds	7,736	669,646	10,498	965,673	35.7	44.2
Other investments	4,853	1,577,085	3,790	2,116,331	-21.9	34.2
Real estate	7,654	1,183,888	4,550	1,358,630	-40.6	14.8
Land	9,883	2,915,322	13,028	2,245,019	31.8	-23.0
Conservation easements	2,186	1,815,814	3,402	1,489,589	55.6	-18.0
Façade easements	1,028	307,370	1,143	264,575	11.2	-13.9
Art and collectibles	110,632	1,244,906	108,374	1,222,044	-2.0	-1.8
Intellectual property	1,021	19,932	50	17,652	-95.1	-11.4
Food	195,807	105,870	156,081	96,294	-20.3	-9.0
Clothing	4,692,990	7,021,681	4,295,574	6,262,697	-8.5	-10.8
Accessories	50,691	58,586	40,421	34,388	-20.3	-41.3
Electronics	517,625	474,505	498,243	445,376	-3.7	-6.1
Household items	2,864,635	3,858,494	2,802,627	3,821,313	-2.2	-1.0
Cars	297,070	469,695	296,587	490,242	-0.2	4.4
Other vehicles	12,807	140,621	9,975	70,395	-22.1	-49.9
Services	13,907	47,881	9,373	27,553	-32.6	-42.5
Airline tickets and miles	1,559	2,040	3,568	5,988	128.8	193.6
Other	794,323	2,820,696	846,505	2,914,218	6.6	3.3

[1] Total number of returns does not equal the sum of returns by donation type because a return could have more than one type of donation.

Tax Year 2005 to \$1.7 billion in 2006, and donations to health and medical research increased 34.4 percent, from \$1.6 billion in Tax Year 2005 to \$2.2 billion in 2006. Figure G shows these data for 2005 and 2006.

Figure H shows that taxpayers age 65 and older gave the most donations in terms of amount deducted on Schedule A, giving 43.9 percent of the total amount, or \$20.6 billion. The average donation for these taxpayers, per return, was over \$25,300, which was more than three times the average of any other age group. In addition, taxpayers in this age group donated 9.9 percent of their AGIs, more than twice the average of any other group.

As shown in Figure I, the amount deducted by these taxpayers increased about 46.4 percent, from \$14.1 billion in Tax Year 2005 to \$20.6 billion in

2006. All other age groups, with the exception of the 55 under 65 group (whose donation amounts increased 9.4 percent, from \$9.8 billion in Tax Year 2005 to \$10.7 billion in 2006), experienced a decline in the amount of donation amounts claimed. Details in Table 4 show that, of the total donations by taxpayers 65 or over, \$15.7 billion were donations of corporate stock, mutual funds, and other investments (up 66.9 percent from the \$9.4 million donated in 2005), followed by \$2.0 billion in real estate and easement donations (up from \$1.7 billion in Tax Year 2005).<sup>6</sup>

### Explanation of selected terms:

*Amount carried to Schedule A*—This is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly-traded securities) plus

<sup>6</sup> See Wilson, Janette, "Individual Noncash Charitable Contributions, 2005," *Statistics of Income Bulletin*, Spring 2008, Volume 25, Number 4.

# Individual Noncash Contributions, 2006

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**Figure C**

## Individual Noncash Charitable Contributions: All Returns with Donations, All Donation Types, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

Size of adjusted gross income	Number of returns	Percent of returns	Adjusted gross income (AGI)	Amount carried to Schedule A	Percentage of amount carried to Schedule A	Donation as percentage of AGI	Average donation per return
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All returns</b>	<b>6,174,855</b>	<b>100.0</b>	<b>1,183,135,196</b>	<b>46,841,245</b>	<b>100.0</b>	<b>4.0</b>	<b>7,586</b>
Under \$5,000 (including deficits)	38,175	0.6	-6,464,319	526,719	1.1	-8.1	13,797
\$5,000 under \$10,000	18,239	0.3	144,478	26,990	0.1	18.7	1,480
\$10,000 under \$15,000	31,681	0.5	409,877	109,992	0.2	26.8	3,472
\$15,000 under \$20,000	52,872	0.9	930,995	122,488	0.3	13.2	2,317
\$20,000 under \$25,000	85,246	1.4	1,921,342	176,084	0.4	9.2	2,066
\$25,000 under \$30,000	110,217	1.8	3,020,937	224,808	0.5	7.4	2,040
\$30,000 under \$40,000	287,837	4.7	10,132,638	607,106	1.3	6.0	2,109
\$40,000 under \$50,000	362,952	5.9	16,368,292	790,376	1.7	4.8	2,178
\$50,000 under \$75,000	1,074,988	17.4	67,677,202	2,281,356	4.9	3.4	2,122
\$75,000 under \$100,000	1,086,353	17.6	94,822,640	2,086,296	4.5	2.2	1,920
\$100,000 under \$200,000	2,058,274	33.3	283,090,594	5,548,102	11.8	2.0	2,696
\$200,000 under \$500,000	724,015	11.7	209,330,178	4,293,549	9.2	2.1	5,930
\$500,000 under \$1,000,000	146,248	2.4	99,612,935	2,529,142	5.4	2.5	17,294
\$1,000,000 under \$1,500,000	39,374	0.6	47,699,896	1,653,390	3.5	3.5	41,991
\$1,500,000 under \$2,000,000	17,065	0.3	29,408,762	1,442,228	3.1	4.9	84,514
\$2,000,000 under \$5,000,000	27,336	0.4	82,794,075	3,597,485	7.7	4.3	131,602
\$5,000,000 under \$10,000,000	7,912	0.1	54,695,540	3,008,570	6.4	5.5	380,258
\$10,000,000 or more	6,071	0.1	187,539,134	17,816,565	38.0	9.5	2,934,700

**Figure D**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Size of Adjusted Gross Income, Form 8283, Tax Years 2005 and 2006

[Money amounts are in thousands of dollars]

Size of adjusted gross income	2005		2006		Percentage change	
	Number of returns	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All returns</b>	<b>6,559,140</b>	<b>41,070,632</b>	<b>6,174,855</b>	<b>46,841,245</b>	<b>-5.9</b>	<b>14.1</b>
Under \$5,000 (including deficits)	37,402	350,927	38,175	526,719	2.1	50.1
\$5,000 under \$10,000	32,164	56,187	18,239	26,990	-43.3	-52.0
\$10,000 under \$15,000	51,997	85,897	31,681	109,992	-39.1	28.1
\$15,000 under \$20,000	85,630	227,358	52,872	122,488	-38.3	-46.1
\$20,000 under \$25,000	94,313	203,180	85,246	176,084	-9.6	-13.3
\$25,000 under \$30,000	108,225	281,359	110,217	224,808	1.8	-20.1
\$30,000 under \$40,000	338,160	774,975	287,837	607,106	-14.9	-21.7
\$40,000 under \$50,000	404,686	869,751	362,952	790,376	-10.3	-9.1
\$50,000 under \$75,000	1,206,015	2,648,338	1,074,988	2,281,356	-10.9	-13.9
\$75,000 under \$100,000	1,227,279	2,446,824	1,086,353	2,086,296	-11.5	-14.7
\$100,000 under \$200,000	2,066,716	5,451,006	2,058,274	5,548,102	-0.4	1.8
\$200,000 under \$500,000	684,658	4,570,700	724,015	4,293,549	5.7	-6.1
\$500,000 under \$1,000,000	135,385	2,140,922	146,248	2,529,142	8.0	18.1
\$1,000,000 under \$1,500,000	34,558	2,044,341	39,374	1,653,390	13.9	-19.1
\$1,500,000 under \$2,000,000	15,286	1,591,485	17,065	1,442,228	11.6	-9.4
\$2,000,000 under \$5,000,000	24,287	3,717,494	27,336	3,597,485	12.6	-3.2
\$5,000,000 under \$10,000,000	6,995	2,467,162	7,912	3,008,570	13.1	21.9
\$10,000,000 or more	5,385	11,142,727	6,071	17,816,565	12.7	59.9

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**Figure E**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Donee Type, Form 8283, Tax Year 2006

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

Type of donee	Number of returns [1]	Number of donations	Amount carried to Schedule A	Average amount per return	Average amount per donation	Percentage of number of donations	Percentage of amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All donees</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>46,841,245</b>	<b>7,586</b>	<b>2,987</b>	<b>100.0</b>	<b>100.0</b>
Arts, culture, and humanities	265,011	358,420	1,729,915	6,528	4,827	2.3	3.7
Educational institutions	315,232	437,120	4,790,188	15,196	10,959	2.8	10.2
Environment and animal-related organizations	107,455	175,324	2,769,989	25,778	15,799	1.1	5.9
Health and medical research	964,138	1,491,284	2,167,023	2,248	1,453	9.5	4.6
Large organizations	4,592,309	9,159,138	8,003,464	1,743	874	58.4	17.1
Public and societal benefit	1,069,973	1,628,317	2,808,888	2,625	1,725	10.4	6.0
Religious organizations	1,081,541	1,662,865	4,075,699	3,768	2,451	10.6	8.7
Donor-advised funds	20,691	35,686	1,958,349	94,650	54,878	0.2	4.2
Foundations	136,188	197,586	15,547,278	114,160	78,686	1.3	33.2
Other donees	416,941	536,290	2,990,450	7,172	5,576	3.4	6.4

[1] Total number of returns does not equal the sum of returns by donee type because a return could have donations to more than one type of donee.

**Figure F**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Donee Type, Form 8283, Tax Years 2005 and 2006

[Money amounts are in thousands of dollars]

Type of donee	2005		2006		Percentage change	
	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All donees</b>	<b>6,559,140</b>	<b>41,070,632</b>	<b>6,174,855</b>	<b>46,841,245</b>	<b>-5.9</b>	<b>14.1</b>
Arts, culture, and humanities	235,690	1,338,311	265,011	1,729,915	12.4	29.3
Educational institutions	343,200	4,160,844	315,232	4,790,188	-8.1	15.1
Environment and animal-related organizations	106,106	3,348,537	107,455	2,769,989	1.3	-17.3
Health and medical research	919,940	1,611,826	964,138	2,167,023	4.8	34.4
Large organizations	4,931,660	8,472,212	4,592,309	8,003,464	-6.9	-5.5
Public and societal benefit	1,266,610	2,746,584	1,069,973	2,808,888	-15.5	2.3
Religious organizations	1,257,036	4,506,943	1,081,541	4,075,699	-14.0	-9.6
Donor-advised funds	17,573	1,614,979	20,691	1,958,349	17.7	21.3
Foundations	147,717	9,811,124	136,188	15,547,278	-7.8	58.5
Other donees	471,373	3,459,273	416,941	2,990,450	-11.5	-13.6

[1] Total number of returns does not equal the sum of returns by donee type because a return could have donations to more than one type of donee.

the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000). The dollar amounts of donations reported in this article reflect the amounts reported on Form 8283 that are carried to Schedule A for reporting itemized deductions.

*Donor's cost*—Also known as the adjusted basis or tax basis, this is generally the amount the owner paid for the property. If the property was received as a gift, the original cost carries over to the recipient of the gift, increased by any gift tax paid on the appreciated portion of the property. If acquired from a dece-

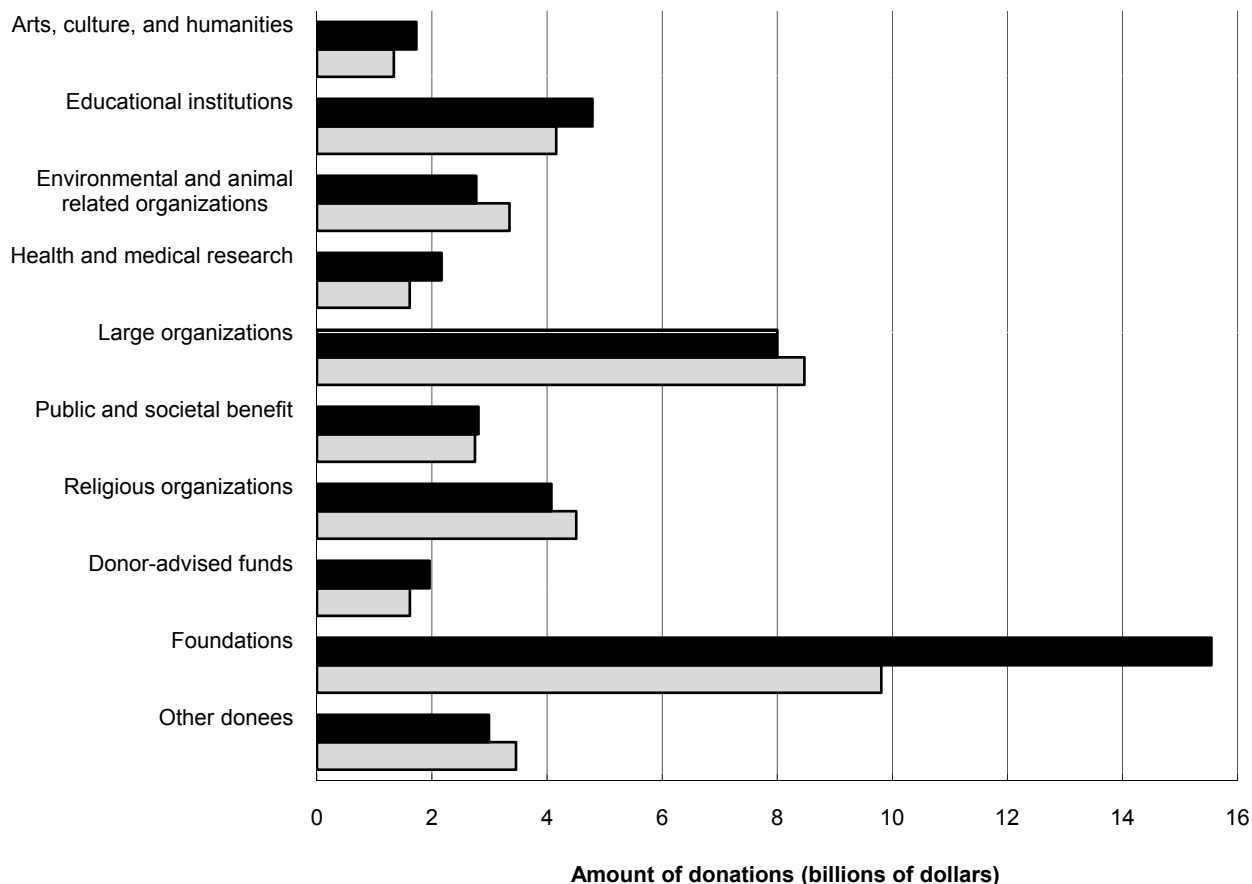
# Individual Noncash Contributions, 2006

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**Figure G**

## Amount of Individual Noncash Charitable Contributions, by Donee Types, Tax Years 2005 and 2006

Type of donee



■ 2006 □ 2005

dent, the basis is the fair market value of the property used for estate tax purposes.

**Fair Market Value**—The fair market value is the value a willing and knowledgeable buyer would pay a seller in a voluntary situation.

**Number of donations**—For this study, data were collected in the manner they were reported by the taxpayer. For example, if clothing was listed twice even though it was given to the same donee organization, it was counted as two separate donations.

**Number of returns**—This is the number of returns that had a Form 8283 attached in the Individual SOI

sample. For this study, all returns with Form 8283 were counted whether or not the taxpayer carried the Form 8283 amounts to Schedule A.

Please note that the allowable amount of a non-cash deduction depends on whether the property is ordinary income or capital gain property. Ordinary income property is property that if sold would generate ordinary income or short-term capital gain. Examples are clothing, household items, inventory, and capital assets held less than 1 year. Capital gain property results in a long-term gain if sold. Examples of this are real property used for a taxpayer's

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**Figure H**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Age of Donor, Form 8283, Tax Year 2006

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

Donor age	Number of returns	Amount carried to Schedule A	Average amount per return	Adjusted gross income (AGI)	Donation as percentage of AGI	Number of returns with cash contributions on Schedule A	Amount of cash contributions on Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All ages</b>	<b>6,174,855</b>	<b>46,841,245</b>	<b>7,586</b>	<b>1,183,135,195</b>	<b>4.0</b>	<b>5,598,162</b>	<b>29,818,427</b>
Under 35	649,666	1,957,073	3,012	71,764,714	2.7	530,033	1,483,872
35 under 45	1,566,178	4,840,502	3,091	250,576,511	1.9	1,370,872	4,477,510
45 under 55	1,793,726	8,789,705	4,900	361,820,169	2.4	1,645,514	7,524,069
55 under 65	1,352,832	10,675,344	7,891	290,232,522	3.7	1,279,670	7,575,184
65 and older	812,452	20,578,621	25,329	208,741,278	9.9	772,073	8,757,792

**Figure I**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Age of Donor, Form 8283, Tax Years 2005 and 2006

[Money amounts are in thousands of dollars]

Donor age	2005		2006		Percentage change	
	Number of return	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All ages</b>	<b>6,559,140</b>	<b>41,070,632</b>	<b>6,174,855</b>	<b>46,841,245</b>	<b>-5.9</b>	<b>14.1</b>
Under 35	793,262	2,231,510	649,666	1,957,073	-18.1	-12.3
35 under 45	1,683,889	6,071,559	1,566,178	4,840,502	-7.0	-20.3
45 under 55	1,873,519	8,949,908	1,793,726	8,789,705	-4.3	-1.8
55 under 65	1,382,485	9,756,707	1,352,832	10,675,344	-2.1	9.4
65 and older	825,984	14,060,948	812,452	20,578,621	-1.6	46.4

business and corporate stock held more than 1 year. The total charitable deduction is generally limited to no more than 50 percent of AGI. This amount can be reduced to 30 percent or 20 percent depending on the type of property donated and the type of charitable organization. The statistics for this article include the entire deduction amount reported by taxpayers and transcribed from Form 8283 to line 16 of Schedule A. The limitations are then applied to the amount reported on line 18 of that schedule.

### Donated property types:

*Accessories*—Includes belts, furs, jewelry, purses, scarves, and watches.

*Art and collectibles*—Includes art works, such as ceramics, drawings, paintings, photographs, and sculptures; and collectibles including coins, books,

historical documents, memorabilia, rare or valuable clothing, jewelry, and stamps.

*Cars*—Includes vehicles designed for road transportation, such as cars, buses, motorcycles, motor homes, SUVs, and trucks.

*Clothing*—Includes apparel for children, men, and women, such as coats, dresses, hats, shoes, and suits. Also, includes sports and school uniforms.

*Conservation easements*—Includes land and right of way easements. Donations of this type must be a qualified real property interest contributed to a qualified organization for conservation purposes.

*Corporate stock*—Includes shares of publicly traded and closely held common and preferred stock, and also stock rights.

*Electronics*—Includes cameras, computer systems, copiers, DVD players, fax machines, stereo systems, televisions, telephones, and video games.

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*Facade easements*—Includes real estate easements and historical preservation or architectural easements.

*Food*—Includes beverages, individual food items or meals, snacks, restaurant coupons, vitamins, and wine.

*Household items*—Includes appliances, books, exercise equipment, furniture, luggage, tools, and toys.

*Intellectual property*—Includes copyrights, patents, trademarks, trade names, trade secrets, and certain types of software.

*Land*—Includes farms, orchards, and open lots.

*Mutual funds*—Includes shares of taxable and nontaxable mutual funds, exchange-traded funds, and unit investment trusts.

*Other investments*—Includes annuities, bonds, CDs, life insurance policies, notes, options, partnership interests, and real estate investment trusts.

*Other vehicles*—Includes all-terrain vehicles, airplanes, and watercraft vehicles, such as boats, canoes, ships, and water-skis.

*Real estate*—Includes apartments, cabins, houses, and other residential and commercial property.

*Services*—Includes audio presentations, catering, healthcare services, transport and travel expenses, tutoring, and other professional services.

*Other*—Includes animals, building materials, cemetery plots, medical equipment, tickets to events, and donated vacations or use of vacation property.

### Donee organizations:

*Arts, culture, and humanities*—Includes organizations involved with the arts, music, history, and cultural activities, such as museums, libraries, science centers, and theaters.

*Donor-advised funds*—A segregated fund within a public charity that permits the donor to have advisory privileges on distributions or investments. Donations to donor-advised funds may be understated because of the difficulty of identifying all such donations.

*Educational institutions*—Includes organizations whose primary function is educational, such as fraternities, schools (including those with religious affiliation), scholarship funds, and universities.

*Environmental and animal organizations*—Includes organizations that protect, promote, or seek to improve the environment or welfare of animals, such as local animal shelters, botanical gardens, and garden clubs.

*Foundations*—A foundation is a type of philanthropic organization set up by individuals or institutions as a legal entity (usually either a corporation or trust) with the purpose of distributing grants to support causes in line with the goal of the foundation. For the purpose of this study, this includes family foundations, which are specific to a person or family, and other private foundations, which are community foundations.

*Health and medical research*—Includes hospitals, medical associations, nursing homes, and hospices.

*Large organizations*—Includes large national and international organizations that have local chapters, such as Goodwill Industries International, The Salvation Army, United Way International, Habitat for Humanity International, and Boy Scouts of America.

*Other*—Includes all other organizations that are not included in any other category.

*Public or societal benefit*—These are organizations that benefit individuals or communities, and do not meet the conditions of other categories, such as education, health, and religion. These include homeless shelters, food banks, and political think tanks.

*Religious organizations*—Includes churches, synagogues, and book stores and thrift stores run by religious organizations.

### Data Sources and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed during Calendar Year 2007. Returns in the sample were stratified based on: (1) the larger of positive income or negative income (absolute value); (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for tax policy modeling purposes. Returns were then selected at rates ranging from 0.10 percent to 100 percent. The Tax Year



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2006 data are based on a sample of 317,975 returns and an estimated final population of 138,485,446 returns.<sup>7</sup> The number of returns in the sample with Form 8283 was 43,122.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CVs) are used to measure that magnitude. Figure J shows estimated CVs for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in SOI Sampling Methodology and Data Limitations later in this issue.

**Figure J**

## Individual Noncash Charitable Contributions: Coefficients of Variation for Selected Items, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006

[Coefficients of variation are in percentages]

Size of adjusted gross income	Number of returns	Donor's cost	Amount carried to Schedule A	Fair market value
	(1)	(2)	(3)	(4)
<b>All returns</b>	<b>1.03</b>	<b>1.65</b>	<b>1.48</b>	<b>1.65</b>
deficits)	5.69	8.67	9.76	13.39
\$25,000 under \$50,000	3.35	5.34	5.24	5.24
\$50,000 under \$75,000	2.80	4.57	5.98	6.11
\$75,000 under \$100,000	2.83	6.16	4.45	4.45
\$100,000 under \$200,000	1.83	3.25	6.86	6.82
\$200,000 under \$500,000	1.79	3.36	10.13	11.68
\$500,000 under \$1,000,000	2.18	7.66	8.12	8.92
\$1,000,000 under \$1,500,000	2.46	10.16	10.17	10.74
\$1,500,000 under \$2,000,000	1.92	8.93	8.11	7.68
\$2,000,000 under \$5,000,000	1.09	6.45	3.90	5.81
\$5,000,000 under \$10,000,000	0.98	2.06	1.79	2.96
\$10,000,000 or more	0.00	0.00	0.00	0.00

<sup>7</sup> For further details on the description of the sample, see *Statistics of Income—2006, Individual Income Tax Returns* (IRS Publication 1304).

# Individual Noncash Contributions, 2006

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**Table 1a. Individual Noncash Charitable Contributions: All Returns with Donations, All Donation Types, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	All returns with donations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>39,890,034</b>	<b>50,310,197</b>	<b>46,841,245</b>
Under \$25,000 (including deficits)	226,213	485,994	1,240,509	1,129,884	962,272
\$25,000 under \$50,000	761,006	1,554,232	3,760,740	1,622,324	1,622,290
\$50,000 under \$75,000	1,074,988	2,636,151	5,240,753	2,304,642	2,281,356
\$75,000 under \$100,000	1,086,353	2,662,477	5,644,547	2,086,296	2,086,296
\$100,000 under \$200,000	2,058,274	5,609,954	11,776,581	5,633,249	5,548,102
\$200,000 under \$500,000	724,015	2,003,908	5,658,020	4,584,845	4,293,549
\$500,000 under \$1,000,000	146,248	421,224	1,659,616	2,800,403	2,529,142
\$1,000,000 under \$1,500,000	39,374	116,061	726,056	1,848,426	1,653,390
\$1,500,000 under \$2,000,000	17,065	50,831	453,275	1,724,293	1,442,228
\$2,000,000 under \$5,000,000	27,336	86,412	1,105,908	4,575,214	3,597,485
\$5,000,000 under \$10,000,000	7,912	27,555	655,535	3,452,233	3,008,570
\$10,000,000 or more	6,071	27,231	1,968,492	18,548,388	17,816,565

Footnotes at end of table 1j.

**Table 1b. Individual Noncash Charitable Contributions: Returns with Donations of Corporate Stock, Mutual Funds, and Other Investments, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of corporate stock, mutual funds, and other investments				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>201,613</b>	<b>451,953</b>	<b>3,659,955</b>	<b>26,449,932</b>	<b>26,075,272</b>
Under \$25,000 (including deficits)	2,349	7,419	69,051	244,965	244,965
\$25,000 under \$50,000	2,734	4,745	16,300	39,447	39,447
\$50,000 under \$75,000	9,944	12,069	29,881	49,818	49,818
\$75,000 under \$100,000	12,813	14,535	27,014	51,681	51,681
\$100,000 under \$200,000	57,239	112,995	184,667	1,002,975	1,002,975
\$200,000 under \$500,000	53,891	123,492	343,267	1,596,361	1,595,868
\$500,000 under \$1,000,000	27,763	69,034	317,101	1,354,195	1,354,042
\$1,000,000 under \$1,500,000	10,441	29,197	193,071	930,187	927,952
\$1,500,000 under \$2,000,000	5,425	14,345	146,802	837,858	805,488
\$2,000,000 under \$5,000,000	11,080	33,602	488,020	2,628,197	2,452,740
\$5,000,000 under \$10,000,000	4,003	13,425	366,204	2,099,548	2,074,434
\$10,000,000 or more	3,930	17,094	1,478,576	15,614,701	15,475,862

Footnotes at end of table 1j.

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**Table 1c. Individual Noncash Charitable Contributions: Returns with Donations of Real Estate and Easements, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of real estate and easements				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>22,122</b>	<b>22,785</b>	<b>2,272,124</b>	<b>8,256,024</b>	<b>5,357,813</b>
Under \$25,000 (including deficits)	1,540	1,572	79,102	308,131	172,750
\$25,000 under \$50,000	* 643	* 643	* 10,089	* 24,144	* 24,144
\$50,000 under \$75,000	* 2,543	* 2,543	* 75,897	* 154,539	* 154,539
\$75,000 under \$100,000	* 2,133	* 2,133	* 0	* 59,772	* 59,772
\$100,000 under \$200,000	6,197	6,198	349,196	395,390	331,711
\$200,000 under \$500,000	4,235	4,243	239,056	963,894	687,762
\$500,000 under \$1,000,000	1,692	1,798	277,890	839,334	573,181
\$1,000,000 under \$1,500,000	808	816	181,193	645,627	469,761
\$1,500,000 under \$2,000,000	511	637	147,510	645,987	407,436
\$2,000,000 under \$5,000,000	1,006	1,198	368,838	1,477,322	704,534
\$5,000,000 under \$10,000,000	396	482	191,054	981,885	575,630
\$10,000,000 or more	419	521	352,299	1,759,998	1,196,594

Footnotes at end of table 1j.

**Table 1d. Individual Noncash Charitable Contributions: Returns with Donations of Art and Collectibles, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of art and collectibles				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>108,374</b>	<b>147,896</b>	<b>380,960</b>	<b>1,303,544</b>	<b>1,222,044</b>
Under \$25,000 (including deficits)	3,806	7,763	13,735	107,233	75,011
\$25,000 under \$50,000	10,685	11,287	17,061	28,092	28,092
\$50,000 under \$75,000	15,697	19,847	37,397	31,702	31,702
\$75,000 under \$100,000	14,141	18,435	21,666	33,234	33,234
\$100,000 under \$200,000	41,762	57,769	65,691	157,633	157,633
\$200,000 under \$500,000	14,939	20,893	56,016	122,537	119,888
\$500,000 under \$1,000,000	3,802	5,323	47,823	103,380	101,191
\$1,000,000 under \$1,500,000	1,229	2,406	18,223	40,373	36,808
\$1,500,000 under \$2,000,000	588	809	13,142	37,158	26,258
\$2,000,000 under \$5,000,000	1,055	2,110	24,256	100,447	96,560
\$5,000,000 under \$10,000,000	338	637	15,933	68,282	59,838
\$10,000,000 or more	333	618	50,017	473,473	455,830

Footnotes at end of table 1j.

# Individual Noncash Contributions, 2006

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**Table 1e. Individual Noncash Charitable Contributions: Returns with Donations of Food, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of food				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>156,081</b>	<b>218,370</b>	<b>99,002</b>	<b>99,890</b>	<b>96,294</b>
Under \$25,000 (including deficits)	3,420	4,448	3,466	3,274	3,274
\$25,000 under \$50,000	12,684	18,839	19,463	12,871	12,871
\$50,000 under \$75,000	20,963	23,212	4,576	7,313	7,313
\$75,000 under \$100,000	27,535	43,209	8,833	8,490	8,490
\$100,000 under \$200,000	63,326	90,079	26,724	33,960	33,920
\$200,000 under \$500,000	20,594	27,730	11,183	11,100	11,100
\$500,000 under \$1,000,000	4,324	6,296	2,645	3,483	3,483
\$1,000,000 under \$1,500,000	1,354	1,700	1,000	1,475	1,436
\$1,500,000 under \$2,000,000	562	748	9,871	1,588	1,588
\$2,000,000 under \$5,000,000	908	1,318	2,348	2,683	2,607
\$5,000,000 under \$10,000,000	246	417	3,030	5,024	4,320
\$10,000,000 or more	165	375	5,864	8,629	5,892

Footnotes at end of table 1j.

**Table 1f. Individual Noncash Charitable Contributions: Returns with Donations of Clothing and Accessories, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of clothing and accessories				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>4,335,995</b>	<b>7,748,567</b>	<b>17,358,689</b>	<b>6,297,942</b>	<b>6,297,085</b>
Under \$25,000 (including deficits)	148,686	233,086	555,916	214,848	214,848
\$25,000 under \$50,000	508,414	798,250	1,968,494	790,776	790,776
\$50,000 under \$75,000	748,935	1,308,507	2,572,750	988,222	988,222
\$75,000 under \$100,000	779,705	1,338,316	2,681,006	1,027,614	1,027,614
\$100,000 under \$200,000	1,495,096	2,831,071	6,073,186	2,125,855	2,125,855
\$200,000 under \$500,000	514,988	976,515	2,655,673	855,190	855,193
\$500,000 under \$1,000,000	92,396	176,172	513,629	162,458	162,458
\$1,000,000 under \$1,500,000	21,659	39,022	142,229	42,400	42,321
\$1,500,000 under \$2,000,000	9,052	16,601	60,935	18,924	18,917
\$2,000,000 under \$5,000,000	12,461	22,735	93,303	34,263	34,263
\$5,000,000 under \$10,000,000	2,993	5,499	24,857	19,870	19,870
\$10,000,000 or more	1,610	2,794	16,711	17,523	16,747

Footnotes at end of table 1j.

# Individual Noncash Contributions, 2006

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**Table 1g. Individual Noncash Charitable Contributions: Returns with Donations of Electronics, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of electronics				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>498,243</b>	<b>587,740</b>	<b>1,029,513</b>	<b>445,391</b>	<b>445,376</b>
Under \$25,000 (including deficits)	16,044	19,613	24,684	18,148	18,148
\$25,000 under \$50,000	54,515	60,309	107,222	56,283	56,283
\$50,000 under \$75,000	78,543	98,330	153,774	73,882	73,882
\$75,000 under \$100,000	75,915	83,985	170,382	59,338	59,338
\$100,000 under \$200,000	197,751	232,835	398,430	166,161	166,146
\$200,000 under \$500,000	58,668	71,868	123,295	49,487	49,487
\$500,000 under \$1,000,000	11,219	13,713	31,716	13,605	13,605
\$1,000,000 under \$1,500,000	2,745	3,674	9,716	4,144	4,144
\$1,500,000 under \$2,000,000	949	1,119	3,450	1,175	1,175
\$2,000,000 under \$5,000,000	1,364	1,675	4,754	1,954	1,954
\$5,000,000 under \$10,000,000	346	387	1,337	802	802
\$10,000,000 or more	184	232	752	412	412

Footnotes at end of table 1j.

**Table 1h. Individual Noncash Charitable Contributions: Returns with Donations of Household Items, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of household items				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>2,802,627</b>	<b>4,924,144</b>	<b>10,220,935</b>	<b>3,847,074</b>	<b>3,821,313</b>
Under \$25,000 (including deficits)	92,088	165,573	397,954	162,750	162,750
\$25,000 under \$50,000	331,444	496,256	1,120,956	477,743	477,743
\$50,000 under \$75,000	503,665	897,041	1,685,593	714,525	691,239
\$75,000 under \$100,000	498,648	891,366	1,692,193	606,862	606,862
\$100,000 under \$200,000	974,358	1,735,076	3,332,308	1,214,728	1,214,695
\$200,000 under \$500,000	318,917	589,210	1,479,972	482,947	482,926
\$500,000 under \$1,000,000	53,412	96,222	293,388	99,156	99,156
\$1,000,000 under \$1,500,000	14,139	25,775	98,088	30,470	30,470
\$1,500,000 under \$2,000,000	5,434	9,771	36,446	12,513	12,513
\$2,000,000 under \$5,000,000	7,549	12,947	56,699	22,326	22,151
\$5,000,000 under \$10,000,000	1,871	3,068	16,988	11,096	8,867
\$10,000,000 or more	1,104	1,840	10,350	11,957	11,941

Footnotes at end of table 1j.

# Individual Noncash Contributions, 2006

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**Table 1i. Individual Noncash Charitable Contributions: Returns with Donations of Cars and Other Vehicles, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with donations of cars and other vehicles				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>306,563</b>	<b>318,497</b>	<b>2,693,513</b>	<b>593,606</b>	<b>560,637</b>
Under \$25,000 (including deficits)	7,316	8,059	46,906	16,150	16,150
\$25,000 under \$50,000	49,513	51,470	331,620	73,604	73,604
\$50,000 under \$75,000	59,325	60,976	395,186	84,068	84,068
\$75,000 under \$100,000	62,601	65,945	621,475	83,874	83,874
\$100,000 under \$200,000	91,175	94,130	801,313	160,177	138,798
\$200,000 under \$500,000	28,502	29,476	366,792	80,531	72,412
\$500,000 under \$1,000,000	5,493	5,636	58,562	28,803	28,436
\$1,000,000 under \$1,500,000	1,021	1,086	21,131	8,931	8,567
\$1,500,000 under \$2,000,000	443	452	12,571	8,297	8,061
\$2,000,000 under \$5,000,000	811	869	17,958	25,569	23,714
\$5,000,000 under \$10,000,000	206	224	13,611	12,476	12,277
\$10,000,000 or more	156	174	6,388	11,128	10,677

Footnotes at end of table 1j.

**Table 1j. Individual Noncash Charitable Contributions: Returns with Other Donations [3], by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Returns with other donations [3]				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>859,496</b>	<b>1,262,077</b>	<b>2,175,341</b>	<b>3,016,794</b>	<b>2,965,411</b>
Under \$25,000 (including deficits)	30,500	38,462	49,695	54,385	54,377
\$25,000 under \$50,000	90,714	112,433	169,534	119,364	119,330
\$50,000 under \$75,000	153,231	213,625	285,699	200,575	200,575
\$75,000 under \$100,000	146,937	204,551	421,977	155,430	155,430
\$100,000 under \$200,000	281,437	449,802	545,066	376,370	376,370
\$200,000 under \$500,000	107,714	160,482	382,768	422,800	418,913
\$500,000 under \$1,000,000	27,458	47,030	116,863	195,989	193,591
\$1,000,000 under \$1,500,000	8,150	12,384	61,404	144,818	131,930
\$1,500,000 under \$2,000,000	3,803	6,350	22,547	160,792	160,792
\$2,000,000 under \$5,000,000	5,947	9,958	49,733	282,453	258,961
\$5,000,000 under \$10,000,000	1,967	3,417	22,521	253,249	252,532
\$10,000,000 or more	1,639	3,583	47,535	650,568	642,610

\* Estimates should be used with caution because of the small number of sample returns on which they are based.

[1] Not every donation has a donor cost reported.

[2] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or the amount claimed on Section B (items with a deduction of more than \$5,000).

[3] Other donations includes intellectual property, services, and airline tickets and miles, and other donations.



# Individual Noncash Contributions, 2006

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**Table 2a. Individual Noncash Charitable Contributions: All Donee Organizations, by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	All donee organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>39,890,034</b>	<b>50,310,197</b>	<b>46,841,245</b>
Under \$25,000 (including deficits)	226,213	485,994	1,240,509	1,129,884	962,272
\$25,000 under \$50,000	761,006	1,554,232	3,760,740	1,622,324	1,622,290
\$50,000 under \$75,000	1,074,988	2,636,151	5,240,753	2,304,642	2,281,356
\$75,000 under \$100,000	1,086,353	2,662,477	5,644,547	2,086,296	2,086,296
\$100,000 under \$200,000	2,058,274	5,609,954	11,776,581	5,633,249	5,548,102
\$200,000 under \$500,000	724,015	2,003,908	5,658,020	4,584,845	4,293,549
\$500,000 under \$1,000,000	146,248	421,224	1,659,616	2,800,403	2,529,142
\$1,000,000 under \$1,500,000	39,374	116,061	726,056	1,848,426	1,653,390
\$1,500,000 under \$2,000,000	17,065	50,831	453,275	1,724,293	1,442,228
\$2,000,000 under \$5,000,000	27,336	86,412	1,105,908	4,575,214	3,597,485
\$5,000,000 under \$10,000,000	7,912	27,555	655,535	3,452,233	3,008,570
\$10,000,000 or more	6,071	27,231	1,968,492	18,548,388	17,816,565

Footnotes at end of table 2k.

**Table 2b. Individual Noncash Charitable Contributions: Donee Organizations (Arts, Culture, and Humanities), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Arts, culture, and humanities				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>265,011</b>	<b>358,420</b>	<b>541,778</b>	<b>1,842,684</b>	<b>1,729,915</b>
Under \$25,000 (including deficits)	5,996	6,256	21,631	117,714	85,492
\$25,000 under \$50,000	19,823	21,528	36,274	27,147	27,147
\$50,000 under \$75,000	35,095	48,667	22,183	53,295	30,009
\$75,000 under \$100,000	44,827	53,200	27,825	40,170	40,170
\$100,000 under \$200,000	95,842	139,346	120,047	142,526	142,526
\$200,000 under \$500,000	44,850	58,452	88,427	146,047	141,918
\$500,000 under \$1,000,000	9,160	14,054	30,446	116,039	111,105
\$1,000,000 under \$1,500,000	3,288	5,460	51,026	143,800	139,978
\$1,500,000 under \$2,000,000	1,472	2,348	19,512	58,921	48,336
\$2,000,000 under \$5,000,000	2,938	5,397	34,482	189,967	185,705
\$5,000,000 under \$10,000,000	900	1,966	25,132	149,110	137,524
\$10,000,000 or more	820	1,747	64,793	657,947	640,003

Footnotes at end of table 2k.

# Individual Noncash Contributions, 2006

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**Table 2c. Individual Noncash Charitable Contributions: Donee Organizations (Educational Institutions), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Educational institutions				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>315,232</b>	<b>437,120</b>	<b>1,594,619</b>	<b>5,079,098</b>	<b>4,790,188</b>
Under \$25,000 (including deficits)	7,814	10,482	77,353	180,547	102,932
\$25,000 under \$50,000	20,914	22,152	32,910	18,156	18,156
\$50,000 under \$75,000	34,944	38,151	50,468	47,907	47,907
\$75,000 under \$100,000	39,001	46,761	249,079	39,180	39,180
\$100,000 under \$200,000	116,711	165,124	193,652	256,931	256,931
\$200,000 under \$500,000	56,997	82,284	255,032	653,317	653,317
\$500,000 under \$1,000,000	18,852	33,217	162,802	524,978	465,434
\$1,000,000 under \$1,500,000	6,984	12,778	48,746	274,761	274,055
\$1,500,000 under \$2,000,000	2,990	5,011	41,190	204,978	171,720
\$2,000,000 under \$5,000,000	6,110	11,648	164,121	586,708	514,368
\$5,000,000 under \$10,000,000	2,066	4,479	101,416	550,353	542,375
\$10,000,000 or more	1,850	5,032	217,850	1,741,284	1,703,814

Footnotes at end of table 2k.

**Table 2d. Individual Noncash Charitable Contributions: Donee Organizations (Environmental and Animal-Related Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Environmental and animal-related organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>107,455</b>	<b>175,324</b>	<b>1,128,999</b>	<b>4,210,571</b>	<b>2,769,989</b>
Under \$25,000 (including deficits)	4,443	6,357	56,256	149,124	134,692
\$25,000 under \$50,000	12,242	13,865	17,110	9,147	9,147
\$50,000 under \$75,000	11,296	16,218	44,043	22,565	22,565
\$75,000 under \$100,000	20,705	24,433	17,599	66,026	66,026
\$100,000 under \$200,000	38,043	82,373	261,209	556,504	528,539
\$200,000 under \$500,000	12,394	18,701	102,045	152,411	135,834
\$500,000 under \$1,000,000	4,277	7,187	152,495	385,646	303,972
\$1,000,000 under \$1,500,000	1,277	1,798	28,445	254,792	138,262
\$1,500,000 under \$2,000,000	692	1,000	87,553	363,374	198,630
\$2,000,000 under \$5,000,000	1,239	2,012	142,674	658,094	276,041
\$5,000,000 under \$10,000,000	441	708	79,353	632,929	338,057
\$10,000,000 or more	406	670	140,217	959,958	618,222

Footnotes at end of table 2k.

# Individual Noncash Contributions, 2006

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**Table 2e. Individual Noncash Charitable Contributions: Donee Organizations (Health and Medical Research), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Health and medical research				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>964,138</b>	<b>1,491,284</b>	<b>3,360,318</b>	<b>2,280,292</b>	<b>2,167,023</b>
Under \$25,000 (including deficits)	25,382	37,812	55,306	40,933	40,933
\$25,000 under \$50,000	102,679	151,914	293,213	166,994	166,994
\$50,000 under \$75,000	159,390	242,557	525,685	289,958	289,958
\$75,000 under \$100,000	167,107	262,815	489,164	170,065	170,065
\$100,000 under \$200,000	352,569	547,344	1,229,137	455,900	455,900
\$200,000 under \$500,000	116,762	184,834	446,566	217,406	217,399
\$500,000 under \$1,000,000	23,844	37,292	116,826	173,401	173,401
\$1,000,000 under \$1,500,000	6,602	10,146	46,088	126,917	107,587
\$1,500,000 under \$2,000,000	3,004	4,937	22,745	34,760	34,735
\$2,000,000 under \$5,000,000	4,531	7,389	57,394	170,534	113,661
\$5,000,000 under \$10,000,000	1,301	2,480	25,532	103,084	91,225
\$10,000,000 or more	967	1,763	52,662	330,340	305,165

Footnotes at end of table 2k.

**Table 2f. Individual Noncash Charitable Contributions: Donee Organizations (Large Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Large organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>4,592,309</b>	<b>9,159,138</b>	<b>21,084,722</b>	<b>8,018,718</b>	<b>8,003,464</b>
Under \$25,000 (including deficits)	153,112	282,063	702,528	267,875	267,875
\$25,000 under \$50,000	554,369	935,533	2,295,584	921,021	921,021
\$50,000 under \$75,000	811,418	1,605,497	3,355,416	1,292,819	1,292,819
\$75,000 under \$100,000	832,696	1,639,227	3,367,957	1,227,040	1,227,040
\$100,000 under \$200,000	1,550,350	3,268,067	7,139,804	2,497,028	2,496,980
\$200,000 under \$500,000	542,532	1,135,678	3,192,829	1,039,273	1,039,280
\$500,000 under \$1,000,000	97,106	196,768	609,396	235,367	235,010
\$1,000,000 under \$1,500,000	23,771	46,077	163,439	75,832	75,832
\$1,500,000 under \$2,000,000	9,219	17,425	70,175	70,715	68,225
\$2,000,000 under \$5,000,000	12,915	24,308	102,352	72,966	72,937
\$5,000,000 under \$10,000,000	3,109	5,439	32,153	77,913	70,176
\$10,000,000 or more	1,712	3,055	53,090	240,867	236,268

Footnotes at end of table 2k.

# Individual Noncash Contributions, 2006

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**Table 2g. Individual Noncash Charitable Contributions: Donee Organizations (Public and Societal Benefit), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Public and societal benefit				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>1,069,973</b>	<b>1,628,317</b>	<b>3,901,993</b>	<b>3,086,326</b>	<b>2,808,888</b>
Under \$25,000 (including deficits)	39,022	52,260	100,601	69,006	42,850
\$25,000 under \$50,000	123,523	173,056	462,740	184,319	184,319
\$50,000 under \$75,000	175,960	300,247	483,717	209,186	209,186
\$75,000 under \$100,000	175,352	242,403	701,837	198,472	198,472
\$100,000 under \$200,000	376,153	585,026	1,067,375	478,895	457,516
\$200,000 under \$500,000	134,188	204,175	536,910	509,072	507,594
\$500,000 under \$1,000,000	27,626	43,452	160,515	177,226	170,797
\$1,000,000 under \$1,500,000	7,173	10,117	94,642	134,195	109,310
\$1,500,000 under \$2,000,000	3,401	5,355	27,500	62,624	53,311
\$2,000,000 under \$5,000,000	5,006	7,915	81,380	221,325	179,898
\$5,000,000 under \$10,000,000	1,461	2,295	55,479	192,140	158,975
\$10,000,000 or more	1,109	2,017	129,299	649,866	536,659

Footnotes at end of table 2k.

**Table 2h. Individual Noncash Charitable Contributions: Donee Organizations (Religious Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Religious organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>1,081,541</b>	<b>1,662,865</b>	<b>4,177,615</b>	<b>4,272,555</b>	<b>4,075,699</b>
Under \$25,000 (including deficits)	42,414	53,158	141,099	96,621	88,751
\$25,000 under \$50,000	119,203	160,315	438,380	194,603	194,603
\$50,000 under \$75,000	172,585	265,422	587,817	282,322	282,322
\$75,000 under \$100,000	179,614	291,689	587,981	240,520	240,520
\$100,000 under \$200,000	372,011	582,872	1,170,781	680,783	680,783
\$200,000 under \$500,000	139,985	219,142	630,818	875,011	866,376
\$500,000 under \$1,000,000	33,308	51,439	204,518	397,454	366,359
\$1,000,000 under \$1,500,000	9,718	16,374	93,320	223,519	206,916
\$1,500,000 under \$2,000,000	3,983	6,561	58,254	164,887	118,370
\$2,000,000 under \$5,000,000	5,979	10,443	134,495	426,593	375,306
\$5,000,000 under \$10,000,000	1,639	2,981	62,460	233,749	211,543
\$10,000,000 or more	1,102	2,470	67,692	456,493	443,849

Footnotes at end of table 2k.

# Individual Noncash Contributions, 2006

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**Table 2i. Individual Noncash Charitable Contributions: Donee Organizations (Donor-Advised Funds), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Donor-advised funds				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>20,691</b>	<b>35,686</b>	<b>296,100</b>	<b>1,960,173</b>	<b>1,958,349</b>
Under \$25,000 (including deficits)	* 115	* 119	* 31	* 1,331	* 1,331
\$25,000 under \$50,000	* 631	* 631	* 3,898	* 3,898	* 3,898
\$50,000 under \$75,000	* 998	* 998	* 1,797	* 998	* 998
\$75,000 under \$100,000	0	0	0	0	0
\$100,000 under \$200,000	3,900	5,963	21,800	77,944	77,944
\$200,000 under \$500,000	5,153	8,025	25,397	99,198	99,198
\$500,000 under \$1,000,000	4,451	8,130	38,611	186,359	186,359
\$1,000,000 under \$1,500,000	1,551	2,866	24,817	97,353	97,353
\$1,500,000 under \$2,000,000	892	1,578	9,545	98,411	98,411
\$2,000,000 under \$5,000,000	1,819	3,858	51,040	288,665	288,663
\$5,000,000 under \$10,000,000	623	1,616	35,276	192,183	191,974
\$10,000,000 or more	558	1,902	83,889	913,834	912,220

Footnotes at end of table 2k.

**Table 2j. Individual Noncash Charitable Contributions: Donee Organizations (Foundations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Foundations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>136,188</b>	<b>197,586</b>	<b>2,470,988</b>	<b>16,423,243</b>	<b>15,547,278</b>
Under \$25,000 (including deficits)	1,565	2,549	51,308	138,517	129,200
\$25,000 under \$50,000	13,154	14,778	41,149	12,283	12,283
\$50,000 under \$75,000	17,156	26,345	36,525	27,282	27,282
\$75,000 under \$100,000	20,447	25,118	73,576	20,274	20,274
\$100,000 under \$200,000	44,894	67,167	186,308	195,965	164,139
\$200,000 under \$500,000	18,547	24,876	165,701	515,066	257,340
\$500,000 under \$1,000,000	7,902	11,107	117,107	351,811	345,155
\$1,000,000 under \$1,500,000	3,066	4,606	118,190	357,277	344,141
\$1,500,000 under \$2,000,000	1,934	3,467	85,546	467,588	453,872
\$2,000,000 under \$5,000,000	3,841	7,659	302,536	1,637,201	1,280,737
\$5,000,000 under \$10,000,000	1,646	3,577	207,353	1,095,055	1,047,908
\$10,000,000 or more	2,037	6,338	1,085,687	11,604,924	11,464,947

Footnotes at end of table 2k.

# Individual Noncash Contributions, 2006

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**Table 2k. Individual Noncash Charitable Contributions: Donee Organizations (Other), by Size of Adjusted Gross Income, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Other donee organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
<b>All returns</b>	<b>416,941</b>	<b>536,290</b>	<b>1,332,901</b>	<b>3,136,537</b>	<b>2,990,450</b>
Under \$25,000 (including deficits)	17,952	34,938	34,396	68,216	68,216
\$25,000 under \$50,000	50,644	60,460	139,481	84,757	84,723
\$50,000 under \$75,000	76,678	92,048	133,104	78,309	78,309
\$75,000 under \$100,000	56,672	76,830	129,529	84,548	84,548
\$100,000 under \$200,000	130,468	166,672	386,469	290,772	286,842
\$200,000 under \$500,000	55,988	67,742	214,295	378,044	375,292
\$500,000 under \$1,000,000	15,136	18,577	66,899	252,123	171,549
\$1,000,000 under \$1,500,000	4,322	5,839	57,342	159,979	159,956
\$1,500,000 under \$2,000,000	2,280	3,149	31,257	198,035	196,616
\$2,000,000 under \$5,000,000	4,168	5,783	35,434	323,162	310,168
\$5,000,000 under \$10,000,000	1,347	2,015	31,383	225,716	218,812
\$10,000,000 or more	1,285	2,237	73,313	992,876	955,418

\* Estimates should be used with caution because of the small number of sample returns on which they are based.

[1] Not every donation has a donor cost.

[2] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).



# Individual Noncash Contributions, 2006

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**Table 3. Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Types and Donee Types, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of donation	All donees		Arts, culture, and humanities		Educational institutions
	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations
	(1)	(2)	(3)	(4)	(5)
<b>All donations</b>	<b>15,682,030</b>	<b>46,841,245</b>	<b>358,420</b>	<b>1,729,915</b>	<b>437,120</b>
Corporate stock, mutual funds, and other investments	451,953	26,075,272	24,989	634,869	93,384
Real estate and easements	22,785	5,357,813	115	109,451	2,231
Art and collectibles	147,896	1,222,044	37,887	780,577	14,497
Food	218,370	96,294	4,297	3,211	19,357
Clothing and accessories	7,748,567	6,297,085	16,526	14,515	63,937
Electronics	587,740	445,376	7,332	5,953	36,873
Household items	4,924,144	3,821,313	224,801	101,642	115,359
Cars and other vehicles	318,497	560,637	2,470	32,633	12,229
Other [2]	1,262,077	2,965,411	40,002	47,065	79,253

Type of donation	Educational institutions—continued	Environment and animal-related organizations		Health and medical research	
	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]
	(6)	(7)	(8)	(9)	(10)
<b>All donations</b>	<b>4,790,188</b>	<b>175,324</b>	<b>2,769,989</b>	<b>1,491,284</b>	<b>2,167,023</b>
Corporate stock, mutual funds, and other investments	3,865,876	21,025	535,030	24,120	727,896
Real estate and easements	339,830	4,898	2,057,159	1,782	237,006
Art and collectibles	163,703	3,710	5,504	17,103	52,596
Food	5,656	2,170	727	5,501	3,683
Clothing and accessories	54,016	35,560	29,170	815,171	548,481
Electronics	33,057	13,115	7,180	37,771	32,206
Household items	76,558	45,794	28,769	425,837	331,692
Cars and other vehicles	35,309	4,878	16,697	60,139	65,013
Other [2]	216,183	44,175	89,754	103,861	168,450

Type of donation	Large organizations		Public and societal benefit		Religious organizations
	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations
	(11)	(12)	(13)	(14)	(15)
<b>All donations</b>	<b>9,159,138</b>	<b>8,003,464</b>	<b>1,628,317</b>	<b>2,808,888</b>	<b>1,662,865</b>
Corporate stock, mutual funds, and other investments	27,650	407,024	20,276	526,262	144,646
Real estate and easements	628	82,279	5,724	1,017,582	3,030
Art and collectibles	28,668	25,246	17,601	37,892	13,216
Food	31,991	22,564	62,195	17,529	74,198
Clothing and accessories	5,248,685	4,408,751	741,091	520,129	629,891
Electronics	320,704	234,834	73,551	59,584	66,697
Household items	2,949,598	2,356,035	508,936	371,982	491,055
Cars and other vehicles	63,589	84,736	72,529	104,846	61,673
Other [2]	487,626	381,995	126,414	153,084	178,461

Type of donation	Religious organizations—continued	Foundations		Other donees [3]	
	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]
	(16)	(17)	(18)	(19)	(20)
<b>All donations</b>	<b>4,075,699</b>	<b>197,586</b>	<b>15,547,278</b>	<b>571,975</b>	<b>4,948,799</b>
Corporate stock, mutual funds, and other investments	2,317,245	51,106	14,471,077	44,756	2,589,993
Real estate and easements	421,197	2,455	660,373	1,923	432,936
Art and collectibles	20,064	4,750	103,329	10,463	33,131
Food	26,153	2,058	1,589	16,603	15,184
Clothing and accessories	556,270	59,299	36,122	138,408	129,631
Electronics	54,370	9,974	5,878	21,724	12,314
Household items	377,979	39,209	33,828	123,556	142,827
Cars and other vehicles	128,772	15,864	39,861	25,127	52,769
Other [2]	173,648	12,871	195,220	189,415	1,540,013

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly-traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

[2] Other donations includes intellectual property, services, tickets, airline miles, and other donations.

[3] Other donees includes donor-advised funds.

# Individual Noncash Contributions, 2006

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**Table 4. Individual Noncash Charitable Contributions: All Returns with Donations, by Donations Types and Donor Age, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Donor age	Total							
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns with contributions on Schedule A	Amount of contributions on Schedule A	Number of returns with cash contributions on Schedule A	Amount of cash contributions on Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All ages</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>50,310,197</b>	<b>46,841,245</b>	<b>6,145,515</b>	<b>46,644,496</b>	<b>5,598,162</b>	<b>29,818,427</b>
Under 35	649,666	1,293,317	2,259,608	1,957,073	644,615	1,953,333	530,033	1,483,872
35 under 45	1,566,178	3,780,046	5,079,973	4,840,502	1,561,668	4,804,572	1,370,872	4,477,510
45 under 55	1,793,726	4,667,891	9,551,528	8,789,705	1,785,100	8,742,838	1,645,514	7,524,069
55 under 65	1,352,832	3,642,245	11,662,652	10,675,344	1,346,226	10,593,012	1,279,670	7,575,184
65 and older	812,452	2,298,531	21,756,437	20,578,621	807,906	20,550,739	772,073	8,757,792
Donor age	Corporate stock, mutual funds, and other investments				Real estate and easements			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All ages</b>	<b>201,613</b>	<b>451,953</b>	<b>26,449,932</b>	<b>26,075,272</b>	<b>22,122</b>	<b>22,785</b>	<b>8,256,024</b>	<b>5,357,813</b>
Under 35	4,602	7,610	506,036	501,972	1,511	1,530	394,313	103,950
35 under 45	18,537	34,584	1,085,189	1,077,591	2,028	2,112	664,691	444,164
45 under 55	41,540	89,701	3,616,581	3,523,615	7,964	8,096	1,860,271	1,208,598
55 under 65	43,411	89,254	5,519,291	5,312,107	4,951	5,179	2,336,676	1,652,790
65 and older	93,522	230,804	15,722,836	15,659,986	5,667	5,868	3,000,072	1,948,310
Donor age	Art and collectibles				Food			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All ages</b>	<b>108,374</b>	<b>147,896</b>	<b>1,303,544</b>	<b>1,222,044</b>	<b>156,081</b>	<b>218,370</b>	<b>99,890</b>	<b>96,294</b>
Under 35	691	697	4,321	4,284	6,060	7,056	2,049	2,049
35 under 45	17,062	17,996	34,323	24,570	27,550	39,277	21,544	20,926
45 under 55	34,037	50,535	198,299	188,792	56,065	79,757	34,253	32,204
55 under 65	28,647	43,053	399,989	360,534	44,195	56,501	28,358	27,515
65 and older	27,938	35,615	666,612	643,864	22,212	35,780	13,686	13,600
Donor age	Clothing and accessories				Electronics			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>All ages</b>	<b>4,335,995</b>	<b>7,748,567</b>	<b>6,297,942</b>	<b>6,297,085</b>	<b>498,243</b>	<b>587,740</b>	<b>445,391</b>	<b>445,376</b>
Under 35	449,596	710,225	734,168	734,168	46,737	48,802	56,902	56,902
35 under 45	1,148,302	1,999,077	1,683,520	1,683,524	123,356	142,807	122,738	122,738
45 under 55	1,281,108	2,341,853	1,823,345	1,823,345	144,827	162,456	125,127	125,112
55 under 65	948,563	1,760,886	1,340,236	1,340,171	126,240	157,069	89,246	89,246
65 and older	508,426	936,526	716,673	715,877	57,083	76,606	51,378	51,378

Footnotes at end of table.

# Individual Noncash Contributions, 2006

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**Table 4. Individual Noncash Charitable Contributions: All Returns with Donations, by Donations Types and Donor Age, Form 8283, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Donor age	Household items				Cars and other vehicles			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All ages</b>	<b>2,802,627</b>	<b>4,924,144</b>	<b>3,847,074</b>	<b>3,821,313</b>	<b>306,563</b>	<b>318,497</b>	<b>593,606</b>	<b>560,637</b>
Under 35	268,719	392,239	382,370	382,370	27,166	27,174	54,966	48,770
35 under 45	718,358	1,229,230	975,525	975,504	71,273	73,911	120,178	120,046
45 under 55	817,859	1,468,448	1,121,018	1,118,800	96,506	97,309	141,305	140,780
55 under 65	641,961	1,142,872	838,052	837,846	72,492	77,567	166,973	141,254
65 and older	355,730	691,355	530,110	506,793	39,126	42,536	110,184	109,786

Donor age	Other [2]			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(41)	(42)	(43)	(44)
<b>All ages</b>	<b>859,496</b>	<b>1,262,077</b>	<b>3,016,794</b>	<b>2,965,411</b>
Under 35	72,789	97,984	124,483	122,608
35 under 45	187,631	241,052	372,266	371,437
45 under 55	251,757	369,737	631,329	628,460
55 under 65	209,524	309,864	943,831	913,879
65 and older	137,796	243,441	944,886	929,027

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

[2] Other donations includes intellectual property, services, and airline tickets and miles.

# Individual Noncash Contributions, 2006

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**Table 5. Individual Noncash Charitable Contributions: All Donations Made to Donee Organizations, by Donor Age, Form 8283, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Donor age	All returns							
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns with contributions on Schedule A	Amount of contributions on Schedule A	Number of returns with cash contributions on Schedule A	Amount of cash contributions on Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All ages</b>	<b>6,174,855</b>	<b>15,682,030</b>	<b>50,310,197</b>	<b>46,841,245</b>	<b>6,145,515</b>	<b>46,644,496</b>	<b>5,598,162</b>	<b>29,818,427</b>
Under 35	649,666	1,293,317	2,259,608	1,957,073	644,615	1,953,333	530,033	1,483,872
35 under 45	1,566,178	3,780,046	5,079,973	4,840,502	1,561,668	4,804,572	1,370,872	4,477,510
45 under 55	1,793,726	4,667,891	9,551,528	8,789,705	1,785,100	8,742,838	1,645,514	7,524,069
55 under 65	1,352,832	3,642,245	11,662,652	10,675,344	1,346,226	10,593,012	1,279,670	7,575,184
65 and older	812,452	2,298,531	21,756,437	20,578,621	807,906	20,550,739	772,073	8,757,792

Donor age	Arts, culture, and humanities				Educational institutions			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All ages</b>	<b>265,011</b>	<b>358,420</b>	<b>1,842,684</b>	<b>1,729,915</b>	<b>315,232</b>	<b>437,120</b>	<b>5,079,098</b>	<b>4,790,188</b>
Under 35	8,721	8,747	19,073	16,150	10,576	12,216	32,011	31,418
35 under 45	31,633	48,166	52,496	43,177	59,520	69,783	233,761	171,150
45 under 55	69,418	84,464	215,295	210,940	96,927	139,455	737,216	666,160
55 under 65	81,886	111,198	468,322	426,932	73,016	101,423	1,126,433	1,077,799
65 and older	73,352	105,845	1,087,499	1,032,716	75,194	114,242	2,949,676	2,843,661

Donor age	Environmental and animal-related organizations				Health and medical research			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All ages</b>	<b>107,455</b>	<b>175,324</b>	<b>4,210,571</b>	<b>2,769,989</b>	<b>964,138</b>	<b>1,491,284</b>	<b>2,280,292</b>	<b>2,167,023</b>
Under 35	5,426	5,451	320,970	49,694	74,995	110,857	98,435	98,435
35 under 45	19,693	26,672	311,275	210,281	226,043	349,103	288,882	281,782
45 under 55	31,889	43,269	911,016	695,676	293,471	473,783	473,298	432,376
55 under 65	27,850	63,144	1,070,605	631,116	227,316	355,512	458,969	450,824
65 and older	22,597	36,787	1,596,705	1,183,222	142,312	202,029	960,707	903,607

Footnotes at end of table.

# Individual Noncash Contributions, 2006

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**Table 5. Individual Noncash Charitable Contributions: All Donations Made to Donee Organizations, by Donor Age, Form 8283, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Donor age	Large organizations				Public and societal benefit			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>All ages</b>	<b>4,592,309</b>	<b>9,159,138</b>	<b>8,018,718</b>	<b>8,003,464</b>	<b>1,069,973</b>	<b>1,628,317</b>	<b>3,086,326</b>	<b>2,808,888</b>
Under 35	496,749	868,928	922,655	922,280	76,317	109,423	119,653	110,439
35 under 45	1,213,577	2,456,215	2,060,379	2,057,521	257,314	355,100	510,811	497,951
45 under 55	1,380,477	2,773,681	2,319,240	2,311,426	305,812	465,699	596,735	525,753
55 under 65	981,235	2,013,882	1,660,384	1,658,896	259,931	411,089	988,683	881,179
65 and older	520,270	1,046,431	1,056,060	1,053,343	170,598	287,006	870,443	793,566

Donor age	Religious organizations				Donor-advised funds			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All ages</b>	<b>1,081,541</b>	<b>1,662,865</b>	<b>4,272,555</b>	<b>4,075,699</b>	<b>20,691</b>	<b>35,686</b>	<b>1,960,173</b>	<b>1,958,349</b>
Under 35	77,515	121,843	205,499	196,702	567	608	71,527	71,527
35 under 45	213,836	308,726	505,663	485,380	2,951	4,405	206,512	206,512
45 under 55	308,645	498,210	972,630	917,104	5,902	11,155	567,076	566,504
55 under 65	272,555	402,362	1,004,625	907,606	4,751	8,590	589,625	588,374
65 and older	208,991	331,725	1,584,139	1,568,908	6,519	10,928	525,434	525,433

Donor age	Foundations				Other donees			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
<b>All ages</b>	<b>136,188</b>	<b>197,586</b>	<b>16,423,243</b>	<b>15,547,278</b>	<b>416,941</b>	<b>536,290</b>	<b>3,136,537</b>	<b>2,990,450</b>
Under 35	10,382	13,005	354,460	354,244	37,851	42,239	115,325	106,184
35 under 45	26,569	43,532	573,591	551,908	98,279	118,344	336,602	334,841
45 under 55	40,212	54,439	2,143,713	1,887,136	96,185	123,735	615,310	576,632
55 under 65	32,168	45,877	3,300,406	3,063,067	105,884	129,166	994,600	989,550
65 and older	26,857	40,733	10,051,073	9,690,922	78,742	122,805	1,074,701	983,243

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly-traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

# S Corporation Returns, 2006

by Heather Duffy Parisi

**I**n Tax Year 2006, S corporations accounted for 3.9 million, or 66.3 percent, of the 5.8 million corporate returns filed, continuing to be the most popular type of corporate entity. Despite representing nearly two-thirds of all corporations, S corporations accounted for only 21.2 percent of the \$27.4 trillion of total receipts and 4.2 percent of the \$73.1 trillion of total assets reported on corporate returns. S corporations reported \$5.8 trillion of total receipts and \$3.0 trillion of total assets, increases of 10.7 percent and 11.4 percent, respectively, from 2005. Total net income (less deficit) reported by S corporations increased \$25.2 billion, or 7.0 percent, from \$361.0 billion for 2005 to \$386.2 billion for 2006 (Figure A). The majority of this increase came from net income (less deficit) from trade or business, which grew \$13.0 billion to \$295.9 billion.

The total number of returns filed by S corporations for Tax Year 2006 increased 5.1 percent to 3.9 million, from 3.7 million reported in 2005. Filings of S corporation returns have increased at an average annual rate of 8.2 percent since the enactment of the Tax Reform Act of 1986 (Figure B). During the same time period, taxable corporations have experi-

enced an average annual decline of 1.3 percent. The term “taxable corporations” refers to corporations other than S corporations.<sup>1</sup>

For Tax Year 2006, 349.7 thousand corporations elected subchapter S status for the first time. Of these, 264.0 thousand were newly incorporated businesses. The remaining 85.7 thousand elected to make the conversion from a taxable corporation to an S corporation. Although the number of business electing S corporation status decreased 1.8 percent in 2006, the number of shareholders grew by 5.1 percent, and total assets increased by 11.4 percent (Figure C).

## Income Statement Highlights

Total net income (less deficit) increased for Tax Year 2006. Net income (less deficit) from a trade or business is the largest component of total net income (less deficit), accounting for 76.6 percent of the total. Net income (less deficit) from a trade or business increased by \$13.0 billion, from \$282.9 billion in 2005 to \$295.9 billion in 2006.<sup>2</sup>

Portfolio income (less deficit) distributed to shareholders increased 17.9 percent to \$82.0 bil-

**Figure A**

### S Corporation Total Net Income (Less Deficit), Tax Years 2005-2006

(Money amounts are in thousands of dollars)

Item	2005	2006	Change	
			Amount	Percentage
	(1)	(2)	(3)	(4)
<b>Total net income (less deficit)</b>	<b>361,042,566</b>	<b>386,202,310</b>	<b>25,159,744</b>	<b>7.0</b>
Net income (less deficit) from trade or business	282,903,509	295,929,473	13,025,964	4.6
Portfolio dividend income	4,892,559	6,471,731	1,579,172	32.3
Portfolio interest income	12,860,347	18,483,014	5,622,667	43.7
Portfolio royalty income	1,085,352	1,360,338	274,986	25.3
Portfolio net short-term capital gain (less loss)	2,064,545	1,508,376	-556,169	-26.9
Portfolio net long-term capital gain (less loss)	48,653,357	54,205,761	5,552,404	11.4
Real estate rental net income (less deficit)	7,299,983	6,832,640	-467,343	-6.4
Net income (less deficit) from other rental activity	1,282,914	1,410,976	128,062	10.0

NOTE: Detail may not add to totals because of rounding.

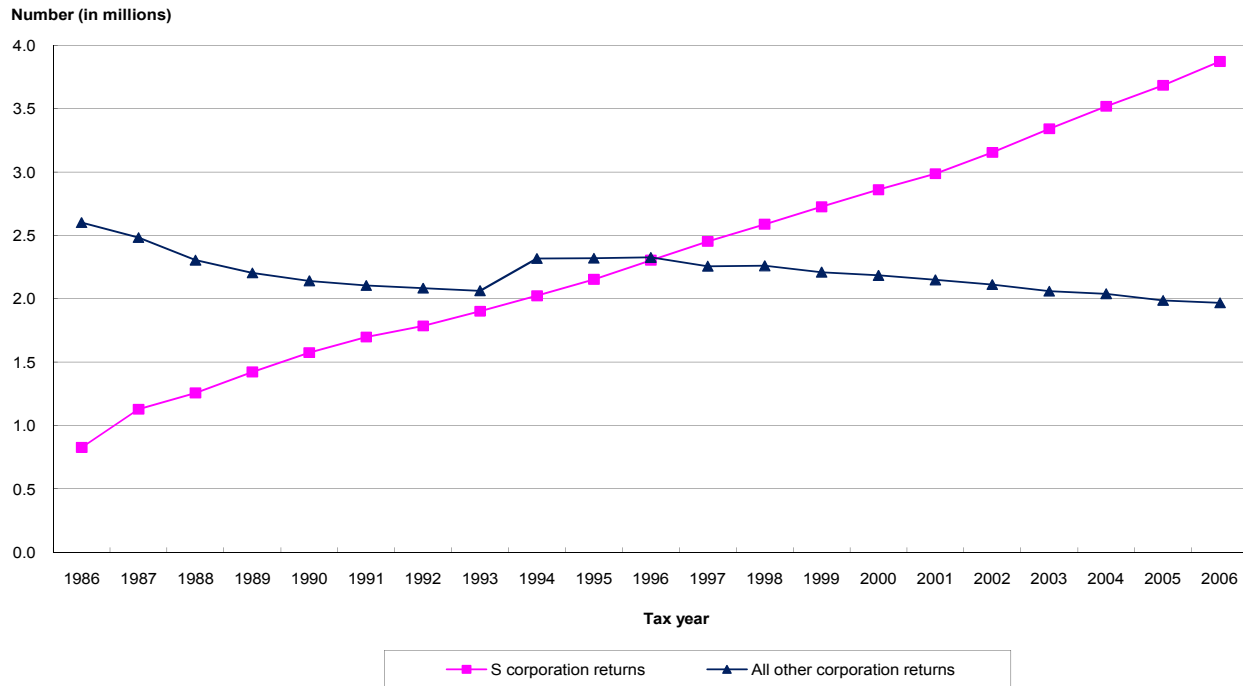
*Heather Duffy Parisi is an economist with the Corporation Research Section. This article was prepared under the direction of Ken Szefflinski, Chief.*

<sup>1</sup> For the purpose of this article, taxable corporations are corporations that file the following types of returns: Form 1120, Form 1120-A, Form 1120F, Form 1120L, and Form 1120-PC. Form 1120-REIT and Form 1120-RIC, while not filed by taxable corporations, are included in the statistics.

<sup>2</sup> Data for 2005 used in this article are from *Statistics of Income—2005, Corporation Income Tax Returns*. Data for 2006 are from *Statistics of Income—2006, Corporation Income Tax Returns*.

**Figure B**

**Number of Form 1120 Series Returns, by Type of Corporation, Tax Years 1986-2006**



lion, an increase of \$12.5 billion. Portfolio income (less deficit) consists of interest, dividends, annuities, royalties, and gain or loss from the disposition of income-producing or investment property that is not derived in the ordinary course of business. The two major categories of portfolio income that contributed to this increase were interest income, which increased by \$5.6 billion, and higher net long-term capital gains, which accounted for another \$5.6 billion of the increase.

Real estate rental net income (less deficit) decreased by 6.4 percent to \$6.8 billion, and net income (less deficit) from other rental activities increased by 10.0 percent to \$1.4 billion.

The majority of total net income (less deficit) was concentrated in four industrial sectors, representing \$230.2 billion, or 59.6 percent of the total.

The wholesale and retail trade sector represented 19.2 percent of total net income (less deficit), or \$74.2 billion. Manufacturing and construction represented 15.0 percent and 14.3 percent, respectively. Professional, scientific, and technical services accounted for 11.1 percent (Figure D).

Total receipts for S corporations increased \$562.9 billion to \$5.8 trillion, an increase of 10.7 percent from 2005.<sup>3</sup> The largest component of total receipts was business receipts, which increased \$552.8 million to \$5.7 trillion for Tax Year 2006. Total deductions increased \$549.7 billion to \$5.5 trillion, an increase of 11.1 percent. The largest component of total deductions, cost of goods sold, accounted for \$3.6 trillion, or 64.8 percent, of total deductions, an increase of \$352.5 billion over the previous year. The next largest component of total

<sup>3</sup> See Table 1, *Statistics of Income—2006, Corporation Income Tax Returns*, p. 203.



# S Corporation Returns, 2006

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**Figure C**

## S Corporation Annual Percentage Increase or Decrease for Tax Years 1995-2006

Tax year	Number of S corporations	Number of newly elected S corporations <sup>1</sup>	Number of new S corporations <sup>2</sup>	Number of shareholders	Total assets	Total receipts	Total net income (less deficit)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Percentages						
1995	6.4	9.2	8.3	4.3	7.8	8.8	8.1
1996	7.0	-0.4	0.9	5.0	8.1	8.9	26.3
1997	6.4	19.5	18.3	4.9	18.8	10.6	22.2
1998	5.5	-3.3	2.8	3.9	11.3	5.7	18.8
1999	5.3	-2.7	-8.9	4.9	11.9	7.8	6.6
2000	4.9	-3.0	-0.7	2.6	9.9	9.6	2.5
2001	4.4	2.2	-2.6	3.1	5.2	4.0	-5.5
2002	5.6	11.0	18.0	5.8	7.1	4.0	-2.2
2003	5.9	3.7	4.1	2.9	8.4	8.2	16.5
2004	5.3	0.4	4.2	4.1	11.5	11.9	28.9
2005	4.7	3.5	-0.1	4.0	12.3	10.9	31.1
2006	5.1	-1.8	0.3	5.1	11.4	10.7	7.0

[1] Newly elected S corporations included startup businesses and corporations electing to convert to an S corporation.

[2] New S corporations only include corporations that started business within the reported tax year.

deductions, salaries and wages, increased \$50.0 billion to \$588.9 billion, from \$538.9 billion in 2005.

The four industrial sectors that accounted for the majority of net income likewise represented the largest portion of total receipts for all S corporations (Figure E). Wholesale and retail trade represented 40.3 percent of total receipts, or \$2.3 trillion. Construction, with \$941.4 billion in total receipts, represented 16.2 percent of the total, while manufacturing and professional, scientific, and technical services accounted for \$709.0 billion and \$372.0 billion, respectively.

Nearly two-thirds, 65.1 percent, of all S corporations reported positive net income.<sup>4</sup> These 2.5 million S corporations reported \$457.0 billion in positive total net income, an increase of \$35.7 billion over the \$421.3 billion reported in 2005. Total net income from a trade or business increased \$23.5 billion for companies reporting positive net income. Total receipts increased \$389.0 billion, and total deductions increased \$365.2 billion for all S corporations with positive net income.

## Balance Sheet Highlights

Total assets for S corporations increased \$311.8 billion, or 11.4 percent, from the previous year.<sup>5</sup> The largest component of total assets for Tax Year 2006 was net notes and accounts receivable, which accounted for \$709.1 billion, or 23.3 percent of total assets.<sup>6</sup> Net notes and accounts receivable also displayed the largest increase from the previous year, growing \$78.9 billion, or 12.5 percent.

Four industrial sectors combined to account for \$1.8 trillion, or 59.0 percent, of S corporation total assets: wholesale and retail trade; construction; management of companies (holding companies); and manufacturing (Figure F). Wholesale and retail trade held the largest portion of total assets for S corporations, representing \$650.2 billion, or 21.3 percent of total assets for S corporations. S corporations in construction reported \$425.8 billion, or 14.0 percent of total assets. Assets in management of companies totaled \$379.9 billion, or 12.5 percent. Manufacturing held \$342.4 billion of assets, or 11.2 percent.

<sup>4</sup> See Table 2, *Statistics of Income—2006, Corporation Income Tax Returns*, p. 211.

<sup>5</sup> Ibid.

<sup>6</sup> See Table 7, *Statistics of Income—2006, Corporation Income Tax Returns*, p. 242.

# S Corporation Returns, 2006

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**Figure D**

## S Corporation Total Assets, Total Receipts, and Total Net Income (Less Deficit), by Industrial Sector, Tax Year 2006

[Money amounts are in thousands of dollars]

Item	All industries [1]	Agriculture, forestry, fishing, and hunting	Mining	Utilities	Construction	Manufacturing
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	3,872,766	81,635	22,874	d	555,606	155,771
Total assets	3,048,770,219	59,119,290	51,525,479	d	425,758,506	342,375,747
Total receipts	5,815,389,092	71,596,996	49,301,864	d	941,403,131	708,952,026
Total net income (less deficit)	386,202,310	2,675,677	13,750,761	d	55,158,287	58,015,232
Net income (less deficit) from a trade or business	295,929,473	986,317	11,135,283	d	49,996,092	45,200,576
Portfolio income (less deficit) distributed to shareholders, total	82,029,220	1,417,419	2,513,509	d	4,858,573	12,516,245
Dividend income	6,471,731	77,429	212,417	d	231,795	986,383
Interest income	18,483,014	461,910	491,560	d	2,267,891	1,751,103
Royalty income	1,360,338	120,148	386,611	d	10,407	233,425
Net short-term capital gain (less loss)	1,508,376	7,768	24,722	d	109,436	17,920
Net long-term capital gain (less loss)	54,205,761	750,164	1,398,198	d	2,239,044	9,527,414
Real estate rental net income (less deficit)	6,832,640	194,281	41,614	d	142,297	160,582
Net income (less deficit) from other rental activity	1,410,976	77,660	60,356	d	161,325	137,829

Item	Wholesale and retail trade	Wholesale trade	Retail trade	Wholesale and retail trade not allocable	Transportation and warehousing	Information
	(7)	(8)	(9)	(10)	(11)	(12)
Number of returns	624,082	220,166	402,267	*1649	124,096	77,671
Total assets	650,243,950	306,133,344	343,817,959	*292,647	74,689,625	62,101,950
Total receipts	2,342,855,340	1,085,996,929	1,256,389,253	*469,158	180,059,093	69,472,637
Total net income (less deficit)	74,190,630	45,112,273	29,086,275	*-7,917	8,032,587	6,752,740
Net income (less deficit) from a trade or business	59,517,746	36,746,176	22,779,528	*-7,958	6,765,978	3,193,458
Portfolio income (less deficit) distributed to shareholders, total	13,773,967	7,897,003	5,876,923	*41	989,608	3,509,237
Dividend income	1,547,295	649,293	898,003	0	66,463	331,176
Interest income	2,890,128	1,276,992	1,613,136	0	393,364	800,168
Royalty income	152,854	140,025	12,829	0	2,421	20,305
Net short-term capital gain (less loss)	46,848	33,846	13,003	0	1,196	41,256
Net long-term capital gain (less loss)	9,136,842	5,796,848	3,339,953	*41	526,164	2,316,333
Real estate rental net income (less deficit)	491,551	198,547	293,004	0	92,750	50,822
Net income (less deficit) from other rental activity	407,366	270,546	136,820	0	184,251	-777

Footnotes at end of table.

# S Corporation Returns, 2006

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**Figure D—Continued**

## S Corporation Total Assets, Total Receipts, and Total Net Income (Less Deficit), by Industrial Sector, Tax Year 2006—Continued

[Money amounts are in thousands of dollars]

Item	Finance and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Management of companies (holding companies)	Administrative and support and waste management and remediation services
	(13)	(14)	(15)	(16)	(17)
Number of returns	154,850	450,852	585,940	24,601	189,231
Total assets	287,866,628	325,262,297	109,562,597	379,906,613	51,410,922
Total receipts	133,305,193	130,104,289	371,982,165	29,111,848	205,470,157
Total net income (less deficit)	27,040,557	26,155,047	42,846,803	14,591,663	12,749,269
Net income (less deficit) from a trade or business shareholders, total	16,530,945	9,309,316	36,560,921	8,023,866	11,098,140
Dividend income	10,575,568	11,416,864	6,023,332	6,646,113	1,563,206
Interest income	1,259,153	591,674	223,081	665,615	100,942
Royalty income	2,068,575	2,641,312	1,214,821	1,382,736	541,281
Net short-term capital gain (less loss)	42,859	66,987	13,055	75,551	15,648
Net long-term capital gain (less loss)	805,684	167,040	123,597	138,229	-6,902
Real estate rental net income (less deficit)	6,399,297	7,949,851	4,448,778	4,383,982	912,237
Net income (less deficit) from other rental activity	-36,478	5,171,723	200,469	-86,560	57,206
	-29,477	257,143	62,082	8,245	30,718

Item	Educational services	Health care and social assistance	Arts, entertainment, and recreation	Accommodation and food services	Other services
	(18)	(19)	(20)	(21)	(22)
Number of returns	31,611	264,636	84,206	207,761	233,674
Total assets	6,220,602	51,091,353	32,210,054	92,096,715	41,258,098
Total receipts	14,219,237	213,777,696	43,308,592	181,791,483	118,684,938
Total net income (less deficit)	1,984,455	23,183,112	4,316,358	7,884,353	6,015,757
Net income (less deficit) from a trade or business shareholders, total	1,307,469	21,577,828	3,029,872	6,337,862	4,811,361
Dividend income	672,272	1,496,797	1,198,892	1,395,846	1,154,864
Interest income	2,546	36,427	33,028	69,316	35,736
Royalty income	38,484	350,056	296,680	591,972	208,512
Net short-term capital gain (less loss)	6,523	1,401	161,898	46,869	3,217
Net long-term capital gain (less loss)	6,259	17,165	13,685	3,372	-8,823
Real estate rental net income (less deficit)	618,461	1,091,749	693,601	684,316	916,222
Net income (less deficit) from other rental activity	3,733	104,581	95,164	107,809	39,552
	982	3,905	-7,570	42,835	9,981

\* Estimate should be used with caution because of the small number of returns on which it is based.

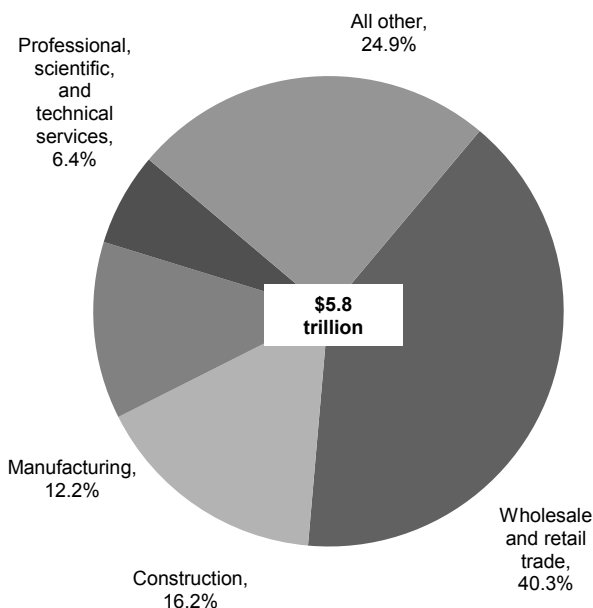
d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Includes returns not allocable by industrial sector, which are not shown separately.

NOTE: Detail may not add to totals because of rounding.

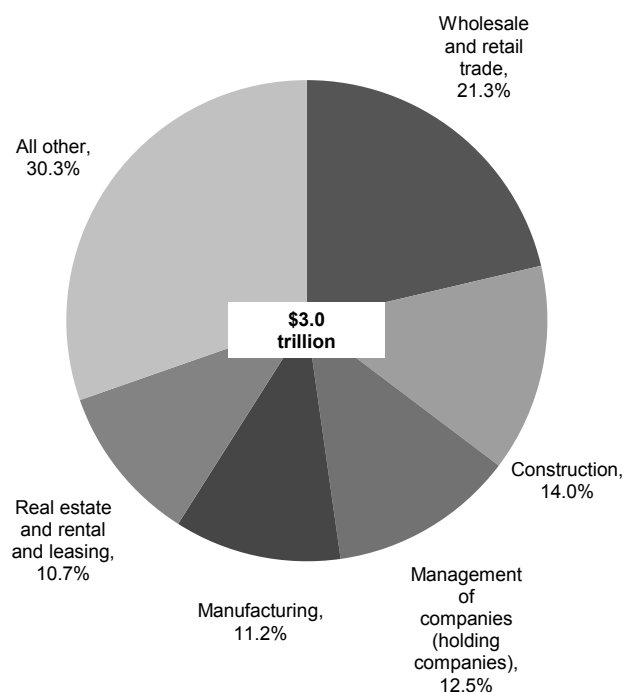
**Figure E**

## S Corporation Total Receipts, by Industrial Sector, Tax Year 2006



**Figure F**

## S Corporation Total Assets, by Industrial Sector, Tax Year 2006



The two largest components of total liabilities and equity for Tax Year 2006 were total net worth and mortgages, notes, and bonds payable in 1 year or more. Total net worth accounted for \$863.0 billion of total liabilities, or 28.3 percent. Total net worth represents the shareholders' equity in the corporation and is comprised of capital stock, paid-in capital surplus, retained earnings unappropriated, and adjustment to shareholders' equity, reduced by cost of treasury stock. Retained earnings unappropriated (including adjustments to shareholders' equity) accounted for \$549.3 billion, or 63.7 percent, of total net worth. Mortgages, notes, and bonds payable in 1 year or more accounted for \$599.7 billion of total liabilities, or 19.7 percent.

### Size of Business Receipts <sup>7</sup>

In Tax Year 2006, over half of all S corporations (2.2 million) reported business receipts of less than \$250 thousand. <sup>8</sup> Even though the majority of S corporations fall into the smaller business receipt classes, there were 14,312 companies with business receipts of \$50 million or greater, and they accounted for \$2.0 trillion, which is over one-third of all business receipts.

The wholesale and retail trade sector accounted for \$2.3 trillion of the \$5.7 trillion in total business receipts reported, or 40.6 percent. Over half of all S corporations with business receipts of \$50 million or more fall into the wholesale and retail trade sector. These companies with business receipts of \$50 million or more accounted for \$1.1 trillion of this sector's business receipts, or 47.1 percent.

### Income from Rental Real Estate

The number of S corporations reporting rental real estate income on Form 8825, *Rental Real Estate Income and Expenses of a Partnership or an S Corporation*, decreased slightly in Tax Year 2006, down 2.2 percent from Tax Year 2005 to 259.3 thousand. <sup>9</sup> Rental real estate expenses increased \$2.6 billion, or 9.7 percent. Of the rental real estate expenses, interest expense increased most, \$938.1 million to \$7.6 billion for Tax Year 2006. Real estate rental net income (less deficit) decreased by 6.4 percent

<sup>7</sup> Returns for nonfinance industries were classified by size of gross receipts from sales and operations. Returns of industries within the finance and insurance and management holding companies sectors were classified by size of total receipts (the sum of business receipts and investment income).

<sup>8</sup> See Table 4, *Statistics of Income—2006, Corporation Income Tax Returns*, p. 219.

<sup>9</sup> See Table 5, *Statistics of Income—2006, Corporation Income Tax Returns*, p. 239.

# S Corporation Returns, 2006

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**Figure G**

## S Corporations Number of Returns, by Number of Shareholders and Industrial Sector, Tax Year 2006

Industrial sector	Total [1]	Number of shareholders						
		1	2	3	4-10	11-20	21-30	31 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All industries [2]</b>	<b>3,872,766</b>	<b>2,323,413</b>	<b>1,135,372</b>	<b>199,694</b>	<b>191,717</b>	<b>14,478</b>	<b>4,408</b>	<b>3,684</b>
Agriculture, forestry, fishing, and hunting	81,635	34,138	28,716	6,601	11,315	524	316	25
Mining	22,874	10,489	7,128	1,277	3,000	542	6	433
Utilities	d	1,501	*193	*10	*338	d	d	0
Construction	555,606	328,317	182,930	25,529	18,237	382	125	86
Manufacturing	155,771	74,456	51,595	12,796	15,189	1,124	469	143
Wholesale trade and retail trade [3]	624,082	341,669	212,381	34,898	32,327	2,200	149	458
Transportation and warehousing	124,096	79,518	37,104	4,556	2,783	111	*17	8
Information	77,671	48,429	19,526	5,827	3,525	186	*156	22
Finance and insurance	154,850	105,170	35,299	5,870	6,944	744	548	274
Real estate and rental and leasing	450,852	243,126	128,897	34,854	39,316	3,762	751	147
Professional, scientific, and technical services	585,940	409,756	138,993	21,498	13,739	957	867	131
Management of companies	24,601	10,321	6,111	2,098	4,048	976	176	872
Administrative and support and waste management and remediation services	189,231	114,700	60,453	8,824	4,992	96	*109	*57
Educational services	31,611	22,713	8,063	*762	65	d	0	d
Health care and social assistance	264,636	213,006	37,362	6,426	6,177	1,006	508	151
Arts, entertainment, and recreation	84,206	58,690	16,589	3,394	5,226	273	*22	*12
Accommodation and food services	207,761	96,632	78,539	14,064	16,531	1,089	83	824
Other services	233,674	129,992	85,098	10,409	7,966	*60	d	d

\* Data should be used with caution because of the small number of sample returns on which they are based.

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Total includes S corporations for which neither a number of shareholders was reported nor a Schedule K-1, *Shareholder's Share of Income, Credits, Deductions, etc.*, was filed.

[2] Includes returns not allocable by industrial sector, which are not shown separately.

[3] This industrial sector includes "Wholesale and Retail Trade Not Allocable," which is not shown separately.

NOTE: Detail may not add to total due to rounding.

to \$6.8 billion for 2006. The real estate and rental and leasing sector accounted for the majority of real estate rental net income (less deficit), reporting \$5.2 billion of the \$6.8 billion reported for all industries. More than two-thirds (69.6 percent) of S corporations reporting income on Form 8825 were classified in this sector.

## Shareholder Data

S corporation shareholders are limited to a few types of entities, including individuals, estates, certain trusts, individuals in bankruptcy, and charitable organizations. The number of S corporation shareholders increased 5.1 percent to 6.7 million for Tax Year 2006.<sup>10</sup> The total number of returns with only one shareholder increased 5.7 percent, from 2.2 million in 2005 to 2.3 million for 2006, representing 60.0 percent of S corporation returns, and 34.9 percent of the total number of shareholders for all S corporations. The professional, scientific, and tech-

nical services sector represented the largest number of returns with one shareholder (Figure G). The number of returns with four or more shareholders increased 3.6 percent from 2005, and the number of shareholders on those returns increased 5.7 percent. S corporations with 10 or fewer shareholders represented 99.4 percent of all S corporations for Tax Year 2006. The wholesale and retail trade sector had the largest number of returns with 10 or fewer shareholders. During the same period, S corporations with more than 30 shareholders increased 11.5 percent to 3,684.

The American Jobs Creation Act of 2004 increased the allowable number of shareholders from 75 to 100 for tax years beginning after 2004. Also, family members (i.e., common ancestor, lineal descendants of the common ancestor, and the spouses, or former spouses, of the lineal descendants or the common ancestor) may elect to be treated as only one shareholder for purposes of meeting the 100

shareholder limit. S corporation returns with more than 75 shareholders increased 133.3 percent, from the 81 reported for Tax Year 2005 to 189 for Tax Year 2006.

## S Corporation Taxation

S corporations generally do not pay income tax, due to their treatment as passthrough entities. However, they may be subject to some types of Federal income taxes, including the built-in gains tax, the excess net passive income tax, the investment credit recapture tax, and the LIFO recapture tax (included in "Adjustments to tax" in Figure H). The built-in gains tax is the most common of the four. The built-in gains tax represented \$583.7 million, or 91.3 percent, of all Federal income tax reported by S corporations for 2006. S corporations that were previously C corporations and made a valid S election after 1986 must pay tax on any realized gain from the sale of certain assets. These assets must be held at the time of election, and the sale must be made within 10 years from the first day of the S corporation's election for the built-in gains tax to apply. The built-in gains tax is limited to net appreciation occurring prior to a C corporation's election as an S corporation. An S corporation that never operated as a C corporation is not subject to the built-in gains tax.<sup>11</sup>

The excess net passive income tax, the investment credit recapture tax, and the LIFO recapture tax also apply to corporations that operated as taxable corporations before making their S elections. The excess net passive income tax applies only to S corporations with net passive investment income accounting for more than 25 percent of gross receipts and with subchapter C earnings. S corporations are required to pay the investment credit recapture tax on the recapture amount attributable to credits allowed on the corporation in years prior to the S election. The last-in, first-out (LIFO) recapture tax does not apply to a corporation that made an S election prior to December 18, 1987, and uses the LIFO method to value inventory. A LIFO recapture amount, which is the amount of inventory valued under the first-in, first-out (FIFO) method that exceeds the inventory valued under LIFO, is included in gross income after a corporation converts to an

S corporation. Inventory that is transferred to an S corporation during a tax-free reorganization of a C corporation is also subject to the LIFO recapture tax.

S corporations reported total net income of \$386.2 billion and total tax liability of \$639.4 million during Tax Year 2006. The total tax reported for all S corporations increased 4.6 percent from 2005 to 2006 (Figure H). The excess net passive income tax increased 108.2 percent to \$45.6 million for Tax Year 2006. Of the 3.9 million S corporations that filed in 2006, only 7,074, or 0.2 percent, reported tax liability.

## Summary

The number of S corporations increased 5.1 percent to 3.9 million for Tax Year 2006, representing nearly two-thirds of all corporations. The number of shareholders also increased by 5.1 percent, to 6.7 million. Total net income (less deficit) increased 7.0 percent to \$386.2 billion. The largest component of total net income (less deficit), net income (less deficit) from a trade or business, increased \$13.0 billion to \$295.9 billion, representing 76.6 percent of total net income (less deficit). Nearly two-thirds of all S corporations reported positive net income, accounting for \$457.0 billion of positive total net income. S corporation total assets increased 11.4 percent from the previous year to \$3.0 trillion. Slightly fewer S corporations reported rental real estate income for Tax Year 2006, down 2.2 percent to 259.3 thousand. These companies reported \$6.8 billion of real estate rental net income (less deficit).

**Figure H**

### S Corporation Taxes, Tax Years 2005 and 2006

[Money amounts are in thousands of dollars]

Items	2005	2006	Percentage change
	(1)	(2)	(3)
<b>Total tax</b>	<b>611,451</b>	<b>639,428</b>	<b>4.6</b>
Built-in gains tax	554,722	583,670	5.2
Excess net passive income tax	21,908	45,607	108.2
Adjustments to tax	33,370	9,283	-72.2
Investment credit recapture tax	1,006	768	-23.7
Income tax adjustment	445	101	-77.3

NOTE: Detail may not add to totals because of rounding.

<sup>11</sup> For further detail, see Internal Revenue Service, Internal Revenue Code, Subchapter S, Section 1374. Also see Gill, Amy, S Corporation Returns, 1992, *Statistics of Income Bulletin*, Spring 1995, Volume 14, Number 4.



# S Corporation Returns, 2006

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## Data Sources and Limitations

The statistics for Tax Year 2006 are based on a sample of S corporation income tax returns with accounting periods ending July 2006 through June 2007 that posted to the Internal Revenue Service Business Master File from July 2006 through the end of June 2008.

A stratified probability sample was used to produce the statistics. A sample of 33,016 S corporation tax returns was drawn from a population of 4,164,612. The stratification was based on combinations of total assets and ordinary income. Sample rates ranged from 0.25 percent to 100 percent. The sample was selected after administrative processing,

but before audit examination. Based on the 32,458 returns of active S corporations in the sample, the population estimate of S corporation returns was 3,872,766.

Because the estimates are based on a sample, they are subject to sampling error. Coefficients of variation (CVs) are used to measure the magnitude of this sampling error. The CV is defined in the section on sampling variability in the SOI Sampling Methodology and Data Limitations later in this publication. Figure I presents the coefficients of variation for S corporations for selected variables, by industrial division. The smaller the coefficient of variation, the more reliable the estimate.

**Figure I**

### Coefficients of Variation for Number of Returns, Number of Shareholders, Total Receipts, Dividends, and Interest Income, by Industrial Sector, Tax Year 2006

NAICS Sector	Number of returns	Number of shareholders	Total receipts	Dividend income	Interest income
	(1)	(2)	(3)	(4)	(5)
<b>All Industries [1]</b>	0.26	0.85	0.77	3.98	1.34
Agriculture, forestry, fishing, and hunting	4.61	5.90	5.61	14.79	10.86
Mining	10.18	25.20	6.15	4.29	3.66
Utilities	36.53	59.12	10.63	46.58	27.58
Construction	1.19	1.66	1.59	6.32	2.56
Manufacturing	3.63	4.03	1.50	3.99	2.81
Wholesale and retail trade	1.44	2.17	1.33	13.90	2.21
Transportation and warehousing	3.66	4.26	4.84	19.19	7.68
Information	6.07	6.83	6.82	2.64	5.27
Finance and insurance	3.14	5.20	4.89	3.52	3.63
Real estate and rental and leasing	1.46	2.77	5.15	10.15	4.17
Professional, scientific, and technical services	1.44	2.60	4.56	12.88	8.54
Management of companies (holding companies)	10.07	16.30	1.26	15.53	3.04
Administrative and support and waste management and remediation services	3.43	4.04	8.11	34.99	16.36
Educational services	9.61	10.50	12.09	34.08	21.88
Health care and social assistance	1.81	4.67	5.41	16.24	20.05
Arts, entertainment, and recreation	4.84	6.54	6.94	18.66	15.39
Accommodation and food services	2.01	4.60	3.18	3.15	8.26
Other services	2.71	3.36	6.45	16.75	17.78

[1] Includes returns not allocable by NAICS sector, which are not shown separately.



# Foreign-Controlled Domestic Corporations, 2006

by James R. Hobbs

**F**or Tax Year 2006, the 63,951 U.S. domestic corporations, each controlled by a foreign “person,” generated \$3.8 trillion of total receipts with \$9.7 trillion of total assets, based on information reported on corporation income tax returns filed with the Internal Revenue Service (IRS). Both total receipts and total assets increased for 2006, by 9.5 percent and 5.7 percent, respectively, over the previous year.<sup>1</sup> These “foreign-controlled domestic corporation” returns were few in number, just 1.1 percent of the total U.S. corporation income tax returns filed. However, they accounted for 14.0 percent of the receipts and 13.3 percent of the assets reported on all U.S. corporation income tax returns.

The total profits (i.e., “net income (less deficit)”) reported by all foreign-controlled domestic corporations (FCDCs) for tax purposes under the Internal Revenue Code were \$172.6 billion for 2006. This was a 4.5 percent increase over the amount reported for the prior year. Placed in context, the profits reported on all corporation income tax returns decreased by 0.8 percent from the prior year, to \$1.9 trillion for 2006.<sup>2</sup> FCDCs accounted for 8.9 percent of the profits reported by all corporations for 2006, up from 8.5 percent for 2005.

Of all the FCDCs, 30,318 reported positive profits for 2006, totaling \$214.8 billion. This was a 6.6-percent increase over the prior-year amount. These profitable companies for 2006 also reported \$171.3 billion of taxable income (i.e., “income subject to tax”), a significant increase of 11.9 percent over the prior year. The U.S. tax liability (i.e., “total income tax after credits”) of FCDCs was \$50.0 billion for 2006, 17.8 percent more than that of the prior year.

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For 2006, there were 3,948 “large” foreign-controlled domestic corporations, each with at least \$250 million of assets or at least \$50 million of receipts. These large FCDCs accounted for most of the key financial items of all FCDCs: 94.5 percent of total assets, 94.9 percent of total receipts, 93.1 percent of taxable income, and 92.3 percent of total income tax after credits. After an overview of all FCDCs, this article focuses on these large foreign-controlled domestic corporations and compares them to other large domestic corporations, i.e., those not controlled by foreign persons.

Tables showing selected balance sheet, income statement, and tax items for FCDCs are included at the end of this article. Table 1 shows historical FCDC data for selected tax years between 1971 and 2006. Tables 2, 3, and 4 concentrate on Tax Year 2006 data. Table 2 includes information for all FCDCs, classified by major industry under the North American Industry Classification System (NAICS). Table 3 also presents data for all FCDCs, classified by country of the foreign owner, as well as age of the corporation. Table 4 presents information on the “large” FCDCs, classified by industrial sector. For comparison purposes, this table also contains data for the large domestic corporations not controlled by foreign persons.

## Foreign Business Activity in the United States

Foreign business activity in the United States can take several forms, including corporations. With regard to corporations, a foreign investor may own stock of a domestic (i.e., United States) company or in a company that operates in the United States as a branch of a foreign corporation.<sup>3, 4</sup> This article focuses on domestic corporations that are “controlled” by foreign persons. For the foreign-controlled domestic corporations covered in this article, control

<sup>1</sup> For additional 2006 statistics covering foreign-controlled domestic corporations (FCDCs), see Tables 24 and 25 of *Statistics of Income—2006, Corporation Income Tax Returns*, IRS Publication 16, March 2009. Statistics for tax years prior to 2006 are available in earlier editions of Publication 16. Additionally, for 2005 statistics covering FCDCs, see Hobbs, James R., “Foreign-Controlled Domestic Corporations, 2005,” *Statistics of Income Bulletin*, Summer 2008, Volume 28, Number 1. In addition, FCDC data are included on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Foreign-Controlled Domestic Corporations.

<sup>2</sup> Total corporate data referenced throughout this article come from: (1) *Statistics of Income Bulletin*, Publication 1136, Spring 2009, Volume 28, Number 4; (2) *Statistics of Income—Corporation Income Tax Returns*, Publication 16, selected years; (3) *Source Book of Statistics of Income—Corporation Income Tax Returns*, Publication 1053, selected years; and (4) unpublished Statistics of Income tabulations.

<sup>3</sup> Sections 7701(a)(4) and (5) of the Internal Revenue Code define a domestic corporation as one created or organized in the United States or under the laws of the United States or any State. A foreign corporation is “one which is not domestic.”

<sup>4</sup> In addition to the foreign-controlled domestic corporations study discussed in this article, the Statistics of Income program conducts a separate study covering branches of foreign corporations operating in the United States. For the most recent statistics from that study, see Tables 10 and 11 that cover branch operations of foreign corporations with income “effectively connected” with a U.S. trade or business, in *Statistics of Income—2006, Corporation Income Tax Returns*, IRS Publication 16, March 2009. Statistics for tax years prior to 2006 are available in earlier editions of Publication 16 and on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Foreign Corporations with U.S. Business Operations.

# Foreign-Controlled Domestic Corporations, 2006

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is defined as ownership by one foreign “person,” directly or indirectly, of 50 percent or more of the U.S. corporation’s voting stock, or of 50 percent or more of the value of all of the corporation’s stock, at any time during the accounting period.<sup>5, 6</sup> A person is an entity, including an individual, corporation, partnership, estate, or trust. (This is discussed in greater depth in the Explanation of Selected Terms section of this article, under “constructive ownership rules” and “foreign person.”)

The foreign-controlled domestic corporation statistics shown in this article, exclude domestic corporations with only foreign “portfolio” investors. A foreign portfolio investor, having only a minimal interest in a domestic company, exerts no control over the management of the domestic corporation, except to the extent, for example, of rights to vote periodically in stockholder meetings of the corporation. A foreign portfolio investor is primarily seeking dividend payments, an increase in the value of the shares of stock, or both. The Statistics of Income program does not conduct studies covering foreign portfolio investors of domestic corporations.

Foreign-controlled domestic corporations report tax information on: (1) Form 1120, *U.S. Corporation Income Tax Return*; (2) Form 1120-L, *U.S. Life Insurance Company Income Tax Return*; (3) Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*; (4) Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts*; and (5) Form 1120-RIC, *U.S. Income Tax Return for Regulated Investment Companies*. The FCDC statistics shown in this article include all of these return types (unless otherwise stated). Data for all corporation income tax returns discussed in this article include (unless otherwise stated) the five form types listed above, plus two types filed by domestic corporations: Form 1120-A, *U.S. Corporation Short-*

*Form Income Tax Return*, and Form 1120S, *U.S. Income Tax Return for an S Corporation*. Also included in the corporate total is Form 1120-F, *U.S. Income Tax Return of a Foreign Corporation*, for foreign corporations with income effectively connected with a U.S. trade or business. All of these form types are included in the Statistics of Income Corporate Study, from which FCDC statistics are derived.<sup>7</sup> However, FCDCs cannot file Forms 1120-A, 1120-F, or 1120S.

## Foreign-Controlled Domestic Corporations

### Growth of Corporations

The estimated numbers of returns filed by FCDCs have remained rather constant during the 10-year period of Tax Years 1997-2006. There were 61,621 returns of foreign-controlled domestic corporations for 1997; 63,951 for 2006. With the rapid increase in the total numbers of U.S. corporation income tax returns, FCDCs generally comprised a slowly decreasing percentage of those returns, from 1.3 percent for 1997 down to 1.1 percent for 2006. The increase in total filings of U.S. corporation income tax returns has largely been due to the growth in the number of Forms 1120S filed by S corporations. For 1997, 1120S returns comprised 52.1 percent of all corporation returns (2,452,254 of the total 4,710,083 returns); for 2006, 66.3 percent of all returns (3,872,766 of the total 5,840,799 returns). FCDCs are not eligible to elect to be treated as S corporations for Federal income tax purposes.

The numbers of corporation income tax returns include consolidated returns. These returns contain the combined financial data of two or more corporations in which a common parent corporation owns at least 80 percent of the stock of at least one member of the group, and at least 80 percent of the stock of each other member of the group is owned within the

<sup>5</sup> This study excludes returns of domestic corporations with stock owned by a single foreign person of 49 percent or less. However, the tax forms filed by domestic corporations do indicate the presence of 25-percent to 49-percent foreign owners, and the Statistics of Income program does separately compile data on these domestic corporations. For 2006, there were only 4,097 returns that indicated a level of foreign ownership between 25 percent and 49 percent. These companies reported \$237.0 billion of assets, \$98.5 billion of receipts, \$8.8 billion of taxable income, and \$2.6 billion of total income tax after credits. All of these amounts were small in comparison to data for the corporations with at least 50-percent foreign ownership.

<sup>6</sup> Returns of certain domestic companies that are effectively controlled by foreign persons, i.e., those public companies in which “control” may be exercised with as little as 10 percent to 20 percent of the stock holdings, are excluded from both the 50-percent-or-more and the 25-percent to 49-percent tabulations. Tax return forms filed by domestic corporations do not include information about foreign persons with less than 25-percent stock holdings.

<sup>7</sup> As a result of the Statistics of Income (SOI) sampling process, data shown in this article for “all corporations” exclude certain out-of-scope returns, such as returns for homeowners’ associations (Form 1120-H) and certain political organizations (Form 1120-POL). For a more complete listing of the returns excluded from the SOI corporation sample, see the Description of the Sample and Limitations of the Data section of *Statistics of Income—2006, Corporation Income Tax Returns*. On the other hand, in addition to legally defined corporations, the Internal Revenue Code recognizes many types of businesses as corporations, including joint stock companies and unincorporated associations (e.g., certain partnerships, savings and loan associations, and mutual savings banks). These organizations possess characteristics typical of the corporate form, such as continuity of life, limited liability of owners, and transferability of shares of capital ownership. They filed Forms 1120 and were included in the SOI corporation sample.

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group. A consolidated return filed by a common parent is treated as a unit, with each statistical item being determined on the basis of the combined data of the affiliated group.

FCDCs, like most other corporations, could elect to file consolidated returns for affiliated groups of domestic corporations. For 2006, there were 5,977 consolidated returns filed by FCDCs, 9.3 percent of all FCDC returns. These returns accounted for the majority of economic activity reported by all FCDCs. Specifically, they accounted for \$8.8 trillion of assets (90.3 percent of the total for all FCDCs), \$3.4 trillion of receipts (87.8 percent of the total), \$153.8 billion of net income less deficits (89.2 percent of the total), \$151.5 billion of taxable income (88.4 percent of the total), and \$43.8 billion of total income tax after credits (87.7 percent of the total).

To the extent that FCDCs filed consolidated income tax returns, the data included in this article actually represent more corporations than the stated number of returns. The study, however, did not tabulate the number of subsidiary corporations included in the consolidated returns.

In contrast to the numbers of returns, the growth of foreign investment in the United States through foreign-controlled domestic corporations during the last 10 years was evident in most of the financial items.<sup>8</sup> In particular, the share of both total U.S. corporate assets and receipts accounted for by FCDCs increased over the 1997-2006 time period.

The assets of domestic corporations controlled by foreign persons increased by 187.2 percent between 1997 and 2006, as compared to the 121.3-percent increase for the assets reported on all U.S. corporation income tax returns.<sup>9</sup> As a result of these changes, the percentage of total corporate assets ac-

counted for by FCDCs increased from 10.3 percent for 1997 to 13.3 percent for 2006 (see Figure A).

Total receipts of FCDCs increased by 115.5 percent between 1997 and 2006, as compared to the increase of 65.0 percent for all corporations. As a result, the share of the receipts reported on all corporate returns attributed to FCDCs increased from 10.7 percent for 1997 to 14.0 percent for 2006.

The growth of FCDCs can also be measured from the early 1970s, when a question concerning foreign ownership of corporations was first placed on the income tax return. For 1971, the 5,154 FCDCs reported \$36.7 billion of total assets and \$39.2 billion of total receipts. They accounted for just 0.3 percent of the returns, 1.3 percent of the assets, and 2.1 percent of the receipts reported by all corporations for that year (see Table 1).

## Industry Characteristics

For 2006, foreign-controlled domestic corporations were involved in each of the 19 industrial sectors (treating wholesale trade and retail trade as separate sectors) listed in Figure B. However, 42,319 of the 63,951, nearly two-thirds of the total, had primary business activities in one of the following four industrial sectors: (1) wholesale trade (17,438); (2) real estate and rental and leasing (11,906); (3) manufacturing (6,701); and (4) professional, scientific, and technical services (6,274). By comparison, relatively few FCDCs were involved in utilities (63) or educational services (7). The Data Sources and Limitations section discusses how returns were classified by industry.<sup>10</sup>

Companies in different industries often have different financial characteristics. For instance, the relative levels of assets and receipts of companies

<sup>8</sup> For additional information on foreign investment in the United States, see *Survey of Current Business* reports, produced by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). BEA periodically produces several articles related to this subject. Electronic versions of the articles can be obtained from the Internet at [www.bea.gov/international/index.htm](http://www.bea.gov/international/index.htm). The data in these reports may not be directly comparable to the information shown in this article because of definitional differences, such as those relating to time periods covered, levels of foreign ownership, and levels of company consolidation.

<sup>9</sup> The percentage changes in the assets between 1997 and 2006 of domestic corporations controlled by foreign persons, as well as those of all corporations, may overstate the actual "change in investment." Assets are generally reported at book value on tax returns (i.e., the value at the time of acquisition). The book value of newly acquired assets is generally greater than the book value of similar assets they replaced. New corporations may tend to have a greater percentage of new assets with greater book values. To the extent that new corporations may have comprised a different portion of FCDCs than they did for other companies, the comparability of the two percentages may be limited.

<sup>10</sup> Statistics classified by industry do have certain limitations. For example, FCDCs accounted for 23.5 percent and 21.8 percent of the receipts of all companies classified as manufacturers and wholesalers, respectively. However, these percentages may overstate the FCDC portion of wholesaling and understate the FCDC portion of manufacturing. This is because certain U.S. companies (not foreign-controlled) and their subsidiaries may have been involved in both manufacturing and wholesaling of the same product(s) and reported tax information for these activities on a single (consolidated) income tax return, which was statistically classified under the industry of its principal business activity, that being manufacturing, rather than trade. Conversely, many FCDCs acted as wholesalers in the United States for products manufactured overseas by their parent, or other related, companies. These foreign-controlled domestic companies were classified in the wholesale trade industrial sector. (See the Data Sources and Limitations section for additional information about industrial classification limitations.)

# Foreign-Controlled Domestic Corporations, 2006

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**Figure A**

## Foreign-Controlled Domestic Corporations as a Percentage of All Corporations, Tax Years 1997-2006



primarily engaged in wholesale trade differ significantly from those primarily engaged in credit intermediation (e.g., commercial banks, credit card issuers, credit unions, mortgage banks, and savings institutions). FCDC wholesalers produced large amounts of receipts with relatively small amounts of assets (valued as of the end of their accounting periods), resulting in \$1.74 of receipts for each dollar of end-of-year assets for 2006. By comparison, credit intermediation companies reported large amounts of assets, but relatively small amounts of receipts. These FCDCs produced only \$.07 of receipts for each dollar of end-of-year assets. See Table 2.

Corporations classified as wholesalers accounted for 20.9 percent of the receipts for all FCDCs, a significant percentage, as is the 27.3 percent of the total FCDC returns they comprised. However, these companies reported only 4.7 percent of the total FCDC assets.

Corporations classified in the real estate and rental and leasing industrial sector reported only 1.2 percent of the assets and 0.8 percent of the receipts of all FCDCs. These percentages were both substantially less than the 18.6 percent of the FCDC returns that they filed.

Manufacturing corporations filed 10.5 percent of the FCDC returns for 2006. These capital-intensive goods-producing companies accounted for far greater percentages of the total FCDC assets (23.2 percent) and receipts (46.3 percent). These corporations were often large, with reported average amounts of assets and receipts of \$337.3 million and \$265.3 million, respectively.

Corporations classified in the professional, scientific, and technical services industrial sector reported only 1.2 percent of the assets and 1.9 percent of the receipts of all FCDCs. Both of these percentages are significantly lower than the portion (9.8 percent) of total FCDC returns this services sector represented. These service corporations were generally smaller than those in manufacturing, with reported average amounts of assets and receipts of \$19.0 million and \$11.6 million, respectively.

Two additional sectors warrant discussion. While corporations classified in the finance and insurance industrial sector composed only 4.6 percent of the total returns filed by FCDCs for 2006, they accounted for the largest share (48.0 percent) of the total assets reported for any of the industrial sectors.



# Foreign-Controlled Domestic Corporations, 2006

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**Figure B**

## Foreign-Controlled Domestic Corporations: Selected Items, by Industrial Sector, Tax Year 2006

[Money amounts are in millions of dollars]

Industrial sector	Returns		Total assets		Total receipts	
	Number	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All industries</b>	<b>63,951</b>	<b>100.0</b>	<b>9,743,225</b>	<b>100.0</b>	<b>3,839,754</b>	<b>100.0</b>
Agriculture, forestry, fishing, and hunting	719	1.1	4,699	[1]	2,650	0.1
Mining	751	1.2	126,846	1.3	66,430	1.7
Utilities	63	0.1	84,237	0.9	34,841	0.9
Construction	2,171	3.4	45,928	0.5	48,298	1.3
Manufacturing	6,701	10.5	2,260,118	23.2	1,777,561	46.3
Wholesale and retail trade	20,308	31.8	567,453	5.8	1,005,722	26.2
Wholesale trade	17,438	27.3	461,074	4.7	803,165	20.9
Retail trade	2,871	4.5	106,379	1.1	202,557	5.3
Transportation and warehousing	2,263	3.5	59,335	0.6	55,632	1.4
Information	2,145	3.4	373,761	3.8	98,465	2.6
Finance and insurance	2,950	4.6	4,677,234	48.0	446,808	11.6
Real estate and rental and leasing	11,906	18.6	113,134	1.2	30,573	0.8
Professional, scientific, and technical services	6,274	9.8	119,047	1.2	72,989	1.9
Management of companies (holding companies)	3,233	5.1	1,160,438	11.9	110,029	2.9
Administrative and support and waste management and remediation services	1,874	2.9	44,258	0.5	37,861	1.0
Educational services	7	[1]	3,942	[1]	1,379	[1]
Health care and social assistance	341	0.5	19,045	0.2	12,080	0.3
Arts, entertainment, and recreation	491	0.8	12,641	0.1	4,400	0.1
Accommodation and food services	949	1.5	65,876	0.7	29,159	0.8
Other services	806	1.3	5,232	0.1	4,876	0.1

[1] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. Percentages are computed using rounded data.

Additionally, finance and insurance companies accounted for 11.6 percent of the total FCDC receipts.

Management (or holding) companies contributed a significant portion (11.9 percent) of the FCDC total assets. However, this sector accounted for smaller portions of both the number of returns (5.1 percent) filed by FCDCs and the receipts (2.9 percent) reported by them.

While foreign-controlled domestic corporations accounted for 14.0 percent of the \$27.4 trillion of total receipts reported by all corporations filing U.S. income tax returns for 2006, these companies played disproportionately larger roles in certain industrial sectors. For instance, FCDCs produced substantial portions of the total receipts reported for manufacturing (23.5 percent), wholesale trade (21.8 percent), and mining (18.1 percent). Conversely, FCDC involvement in a number of other business activities was relatively low and accounted for a small percentage of the receipts for all companies classified in the

following industries: “other” services (2.3 percent), health care and social assistance (2.1 percent), and agriculture, forestry, fishing, and hunting (1.9 percent). See Figure C.

FCDC industrial data at the sector level can be decomposed into more specific industrial classifications for analysis purposes. In general, sectors are composed of major groups, which in turn are composed of minor industries. For 2006, FCDCs in 17 minor industries each reported over \$40 billion of receipts. The largest were petroleum manufacturing refineries (\$604 billion of receipts) and motor vehicles and parts manufacturing (\$298 billion). See Figure D.

### Country Characteristics

Persons (including individuals, corporations, and other entities) resident in any country throughout the world can control U.S. corporations. As reported on the U.S. income tax returns of the foreign-controlled

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**Figure C**

## Total Receipts of All Corporations and Foreign-Controlled Domestic Corporations, by Industrial Sector, Tax Year 2006

[Money amounts are in millions of dollars]

Industrial sector	Total receipts		
	All corporations	Foreign-controlled domestic corporations	Percentage
	(1)	(2)	(3)
<b>All industries [1]</b>	<b>27,401,874</b>	<b>3,839,754</b>	<b>14.0</b>
Agriculture, forestry, fishing, and hunting	142,111	2,650	1.9
Mining	366,514	66,430	18.1
Utilities	626,053	34,841	5.6
Construction	1,608,163	48,298	3.0
Manufacturing	7,575,888	1,777,561	23.5
Wholesale and retail trade [2]	7,255,779	1,005,722	13.9
Wholesale trade	3,683,747	803,165	21.8
Retail trade	3,571,557	202,557	5.7
Transportation and warehousing	756,588	55,632	7.4
Information	1,127,995	98,465	8.7
Finance and insurance	3,747,502	446,808	11.9
Real estate and rental and leasing	337,662	30,573	9.1
Professional, scientific, and technical services	928,556	72,989	7.9
Management of companies (holding companies)	1,093,609	110,029	10.1
Administrative and support and waste management and remediation services	461,264	37,861	8.2
Educational services	38,336	1,379	3.6
Health care and social assistance	578,938	12,080	2.1
Arts, entertainment, and recreation	95,018	4,400	4.6
Accommodation and food services	453,708	29,159	6.4
Other services	208,105	4,876	2.3

[1] Includes "Not allocable," which is not shown separately.

[2] Includes "Wholesale and retail trade not allocable," which is not shown separately.

NOTES: Detail may not add to totals because of rounding. Percentages are computed using rounded data.

domestic corporations, a country represents the geographic location of the foreign owner's place of residence in the case of individuals, and place of incorporation, organization, creation, or administration in the case of corporations or other entities. A foreign corporation, or a chain of related foreign corporations, is frequently the owner of a U.S. subsidiary corporation. Because a foreign corporation in the chain of related companies, which directly owns the stock of a U.S. subsidiary, may be located in a country different from that of the ultimate owner, the country reported on the tax return may not necessarily reflect the country of the ultimate owner. (See the Data Sources and Limitations section of this article for a brief discussion of the possible limitations of the data classified on a country basis.)

For 2006, residents of 40 countries accounted for nearly nine of every ten domestic corporations

classified as 50-percent-or-more controlled by a foreign person. The 56,859 corporations controlled by persons resident in the 40 countries shown in Table 3 accounted for nearly all of the total FCDC financial items, including 99.3 percent of total assets, 98.8 percent of total receipts, 98.3 percent of taxable income, and 98.1 percent of total income tax after credits.

From among these 40 countries, domestic corporations controlled by persons from just seven countries produced 80.3 percent of the total receipts of all FCDCs. These top seven countries, in decreasing size of receipts, are the United Kingdom, Japan, Germany, Canada, the Netherlands, France, and Switzerland.

Domestic corporations controlled by persons resident in the United Kingdom reported total receipts of \$889 billion for 2006, an amount larger than that for any other country. These receipts represented

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**Figure D**

## Foreign-Controlled Domestic Corporations: Selected Items for Largest Minor Industries, Tax Year 2006

[Money amounts are in millions of dollars]

Minor industry	Number of returns	Total assets	Total receipts	Net income (less deficit)	Net income	Income subject to tax	Total income tax after credits	
							Amount	As a percentage of total receipts
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Petroleum refineries, including integrated (manufacturers)	72	761,564	604,480	31,755	31,772	31,485	7,713	1.3
Motor vehicles and parts (manufacturers)	466	429,118	297,872	3,673	6,831	6,232	2,072	0.7
Motor vehicles and motor vehicle parts and supplies (wholesalers)	830	111,800	166,458	4,760	5,181	4,749	1,512	0.9
Stock life insurance companies	50	849,453	156,300	2,625	4,199	2,107	633	0.4
Electrical goods (wholesalers)	1,244	76,179	155,908	1,287	2,649	1,830	560	0.4
Food and beverage stores (retailers)	41	53,917	124,280	2,527	2,673	2,509	868	0.7
Securities brokerage	311	1,377,074	122,521	4,120	4,133	2,230	717	0.6
Offices of bank holding companies	31	1,098,888	102,775	13,136	13,147	13,017	4,018	3.9
Pharmaceutical and medicine (manufacturers)	121	151,915	101,065	13,327	13,505	13,088	4,104	4.1
Furniture, sports, toys, recycle, jewelry, and other durable goods (wholesalers)	3,096	33,997	77,611	1,386	2,112	1,545	520	0.7
Petroleum and petroleum products (wholesalers)	53	28,044	69,258	395	647	641	234	0.3
Metal and mineral, except petroleum (wholesalers)	578	36,097	55,999	1,577	1,896	1,564	527	0.9
Professional and commercial equipment and supplies (wholesalers)	2,443	30,146	53,976	1,343	1,759	1,529	527	1.0
Machinery, equipment, and supplies (wholesalers)	3,087	33,331	51,431	1,565	1,893	1,616	529	1.0
Stock property and casualty insurance companies	96	371,799	48,917	4,290	5,122	2,735	757	1.5
Investment banking and securities dealing	113	1,112,165	48,592	3,215	3,216	1,700	618	1.3
Cement, concrete, lime, and gypsum products (manufacturers)	96	69,159	44,180	3,969	4,035	3,882	1,296	2.9

NOTES: This figure includes minor industries with at least \$40 billion of total receipts. These industries are listed by decreasing size of total receipts (column 3). Percentages are computed using rounded data.

23.2 percent of the total for all FCDCs. As shown in Figure E, the United Kingdom's share of 2006 FCDC receipts is substantially larger than its share of 1997 FCDC receipts (i.e., 13.9 percent).

For 2006, domestic corporations with owners resident in Japan (\$618 billion), Germany (\$494 billion), Canada (\$361 billion), the Netherlands (\$290 billion), France (\$243 billion), and Switzerland (\$188 billion) also accounted for significant amounts of receipts. Of these six countries, Germany's portion of total receipts increased the most between 1997 and 2006 (from 9.8 percent to 12.9 percent), while the portion for Japan decreased the most (from 25.7 percent to 16.1 percent).

Domestic corporations controlled by persons resident in the United Kingdom accounted for \$2.5 trillion of assets, the largest portion held by any country. Corporations controlled by persons resident in Switzerland (\$1.3 trillion), Germany (\$1.3 trillion), Canada (\$1.0 trillion), France (\$0.9 trillion),

the Netherlands (\$0.9 trillion), and Japan (\$0.8 trillion) also accounted for significant amounts of assets.

Although U.K.-controlled domestic corporations accounted for the largest part of the total FCDC receipts and assets for 2006, the U.K. was not responsible for the largest number of returns filed for FCDCs. Canadian-controlled domestic corporations filed the most returns, 10,945. However, U.K.-controlled domestic corporations were second with 4,943 returns, followed by German-controlled domestic corporations with 4,514 returns and Japanese-controlled domestic corporations with 4,488 returns.

For 2006, the U.S. tax liability of all FCDCs was \$50.0 billion, or 1.3 percent of the \$3.8 trillion of receipts reported by all FCDCs. U.K.-controlled domestic corporations reported the largest amount of U.S. tax liability (\$14.9 billion). Japanese-controlled corporations, with \$7.9 billion of tax liability, followed. For the U.K.-controlled corporations, tax liabilities were 1.7 percent of their \$0.9 trillion of

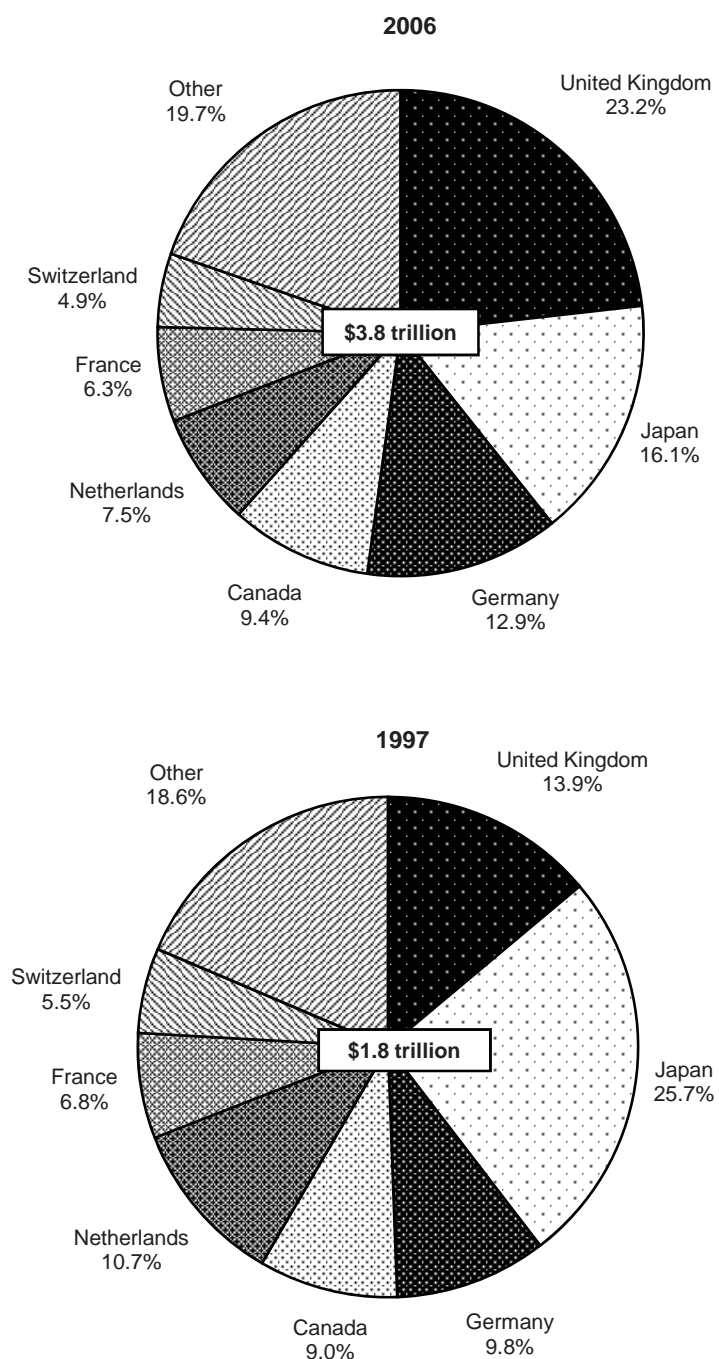


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**Figure E**

**Foreign-Controlled Domestic Corporations: Distribution of Total Receipts by Country of Foreign Owner, Tax Years 1997 and 2006**



NOTE: All amounts are in current dollars.

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receipts. Tax liabilities were somewhat lower at 1.3 percent of their \$0.6 trillion of receipts for the Japanese-controlled corporations. Many factors, including differences in industrial apportionments and age apportionments (discussed later in this article), may have caused the resulting differences between countries in calculating tax as a percentage of receipts.

### Combined Country and Industry Characteristics

There were some similarities, but also important differences among the primary industrial activities of the corporations with owners from the top seven countries. For the United Kingdom, manufacturing was the predominant industrial sector, accounting for 70.6 percent of its total \$889 billion of receipts. More specifically, petroleum and coal products manufacturers produced the most receipts of any major industrial group, accounting for \$500 billion, or 56.2 percent of the country total.

Japanese-controlled corporations were concentrated in two industrial sectors, which produced most of the \$618 billion of receipts: wholesale trade (51.9 percent of the total) and manufacturing (35.4 percent). More specifically, wholesale trade of durable goods was the leading major industrial group, producing 45.7 percent of the total receipts. Japan was the only one of the top seven countries in which manufacturing was not the leading industrial sector in producing receipts.

Like those in the United Kingdom, German-controlled corporations were primarily concentrated in manufacturing, with 56.5 percent of the \$494 billion of receipts for that country coming from corporations in this industrial group. More specifically, transportation equipment manufacturers produced the most receipts of any major group, accounting for 26.9 percent of the total. Finance and insurance (14.7 percent) and wholesale trade (13.0 percent) were the other predominant industrial sectors.

Canadian-controlled corporations were primarily concentrated in manufacturing, which accounts for 29.5 percent of the \$361 billion of receipts for that country. This sector was followed by finance and insurance (16.6 percent), retail trade (15.9 percent), and wholesale trade (14.5 percent). Insurance carriers reported 12.0 percent of the total receipts,

the only major group in any sector that accounted for at least 10 percent of the total Canadian receipts.

For the Netherlands, manufacturing was again the largest industrial sector with 25.4 percent of the total receipts (\$290 billion). This sector was closely followed by finance and insurance (24.1 percent) and retail trade (19.9 percent). Within manufacturing, chemicals (with 6.1 percent of total receipts for that country), computers and electronic products (5.2 percent), primary metals (4.8 percent), and machinery (3.7 percent) were the leading industries. Insurance carriers reported 17.9 percent of the total receipts. Within the retail trade sector, food, beverage, and liquor stores were the leading industry with 16.6 percent of total receipts for that country.

France and Switzerland had the same three leading industrial sectors as did Germany. For France, manufacturers produced 43.0 percent of the \$243 billion of receipts for that country. This was followed by finance and insurance (23.6 percent) and wholesale trade (13.9 percent). More specifically, petroleum and coal products manufacturers produced the most receipts of any major industrial group (13.0 percent of the total), followed by insurance carriers (11.7 percent) and securities, commodity contracts, and other financial investments dealers (10.3 percent).

For Switzerland, 42.8 percent of the \$188 billion of receipts came from the manufacturing sector, followed by finance and insurance with 36.4 percent and wholesale trade with 14.0 percent. More specifically, businesses that handled securities and commodity contracts and other financial investments were the leading major industry, accounting for 22.3 percent of the total receipts for the country. Other important major industries were chemical manufacturers (21.0 percent), insurance carriers (13.8 percent), and food manufacturers (10.4 percent).

### Age Characteristics

Table 3 presents data for two groups of FCDCs based on the age of each corporation. A “new” corporation is one defined here as having been incorporated in 2004 or after, as reported on its income tax return. An “old” corporation is one incorporated in or prior to 2003, or with an unknown (i.e., unreported) date of incorporation.<sup>11</sup>

<sup>11</sup> Dates of incorporation are reported on Form 1120, page 1, question C. Forms 1120L, 1120-PC, 1120-REIT, and 1120-RIC also contain this question in different locations on those forms.

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The year of incorporation may be somewhat unreliable as an indicator of the true age of corporations. For example, a consolidated return may include companies that fall into both the new and old categories. However, the return (including all of the financial information contained in it) was classified into just one of the categories based on the year that the parent company was incorporated. Another example is the reorganization of an existing corporation into a new corporation, which results in a recent year of incorporation, even though it is an “old” business. An additional limitation is that the year of incorporation is difficult to verify during statistical processing because there are no other items to which it can be compared on a tax return, and recourse to other sources is not always practical. Thus, it is subject to higher levels of taxpayer reporting and data entry errors, as compared to statistical items that can be evaluated against other reported items.

For 2006, there were 17,226 FCDCs incorporated in 2004 or after. Wholesalers accounted for the greatest portion of these “new” corporations with 5,159 companies, followed by real estate with 2,736 companies, professional, scientific, and technical services with 2,035 companies, manufacturing with 1,497 companies, and management of companies with 1,067 companies.

Nearly three out of every four foreign-controlled domestic corporations were incorporated prior to 2004, i.e., considered to be “old” corporations. These corporations tended to be larger than the new corporations, accounting for 96.1 percent of the FCDC assets and 95.1 percent of the receipts.

Old corporations were generally more profitable than the newer corporations. New companies may have had more expenses (including startup costs) relative to receipts than the older companies. For 2006, old corporations reported \$168.2 billion of net profits on \$3.7 trillion of receipts, while new corporations reported \$4.4 billion of net profits on \$0.2 trillion of receipts. Thus, net profits (i.e., net income less deficit) as a percentage of total receipts were 4.6 percent for old corporations, versus 2.3 percent for new corporations.

As a result of reporting most of the profits, old corporations also accounted for most of U.S. taxable income (94.9 percent) and U.S. tax liabilities (94.7 percent) of all FCDCs. The old corporations had \$47.3 billion of tax liabilities after credits, equaling 1.3 percent of their total receipts. The new corporations had \$2.6 billion of tax liabilities after credits, equaling 1.4 percent of their total receipts.

### Receipts, Deductions, and Profits

Total receipts comprises all of the income “actually” received by corporations. These receipts include business receipts, as well as investment and incidental income. Business receipts are gross receipts from sales and operations and frequently make up most of a corporation’s total receipts. Investment income includes interest, dividends, and gains on the sale or exchange of both capital and noncapital assets. Interest, in turn, includes both taxable interest from all sources and nontaxable interest on State and local government obligations.

A domestic corporation, whether controlled by a foreign person or not, could have business activities in foreign countries, as well as in the United States. The estimates for total receipts shown in this article include business activities in the United States, as well as certain foreign activities as reported on tax returns of domestic corporations. Total receipts include the receipts of foreign branch operations of U.S. companies. Also included in these receipts are dividends remitted to U.S. corporations by their foreign subsidiaries.

The receipts and deductions of foreign-controlled domestic corporations that are shown in this article do not include amounts generated by their foreign parent or other related foreign companies. However, FCDCs could have had business transactions with their related foreign companies, and FCDC receipts and deductions stemming from these transactions are included in the statistics.<sup>12</sup>

An FCDC that transacts business with a related foreign company must determine “transfer prices” for those transactions. These transactions include the sale and purchase of tangible goods, fees for ser-

<sup>12</sup> For the most recent detailed information on transactions between “foreign-owned domestic corporations” and their related foreign persons, see Lowe, Mark R., “Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 2004,” *Statistics of Income Bulletin*, Fall 2008, Volume 28, Number 2. The data contained in that article are not completely comparable to the data contained in this article, since they cover different time periods and are for U.S. corporations that were owned, 25 percent or more, by a foreign person. By contrast, the foreign ownership level used for the FCDC statistics shown in this article was 50 percent or more. Additionally, returns included in the “foreign-owned” study showed total receipts of \$500 million or more and reported transactions with related foreign persons on Form 5472, *Information Return of a 25-Percent Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*. Neither of these conditions was a requirement for inclusion in the FCDC study.

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vices, interest payments on debts, leasing expenses, and royalties. How transfer prices are determined for these transactions may affect the amount of receipts and deductions, as well as profits (i.e., net income or deficit), taxable income, and taxes reported on the U.S. income tax return of an FCDC. Section 482 of the Internal Revenue Code, and the related regulations, provide guidance in determining transfer prices. In general, the objective is to use “arm’s length prices,” which means prices that would be used for transactions between unrelated enterprises and determined by market forces.

Over 86.5 percent of the \$3.8 trillion of total receipts reported by domestic corporations controlled by a foreign person consisted of “business receipts” (i.e., receipts from sales and operations). These same companies reported \$3.7 trillion of total deductions. Cost of goods sold was 66.1 percent of that total. (See “business receipts” and “cost of goods sold” in the Explanation of Selected Terms section.)

It is noteworthy to look at the “gross profit” of FCDCs. Gross profit is the difference between business receipts and cost of goods sold. Two important industrial sectors for FCDCs, manufacturing and wholesale trade, accounted for most of the reported amounts of business receipts and cost of goods sold. In manufacturing, FCDCs reported \$.79 of cost of goods sold for every dollar of business receipts, while the amount was \$.72 for all other corporations classified in this sector. Thus, FCDCs had smaller gross profits than other corporations, \$.21 compared to \$.28 for every dollar of business receipts. In wholesale trade, all FCDCs reported \$.83 of cost of goods sold for every dollar of business receipts. The amount was the nearly the same (\$.82) for all other corporations classified in this sector. As a result, FCDCs and other corporations had similar gross profits, \$.17 and \$.18, respectively, for every dollar of business receipts.

After cost of goods sold (and the “other deductions” category), interest paid was the next largest deduction item of FCDCs for Tax Year 2006. Interest paid by FCDCs for that year amounted to \$286.7 billion, 7.5 percent of their total receipts. By comparison, the \$1.8 trillion of interest paid by all corporations that filed U.S. income tax returns was 6.5 percent of their total receipts. At the industrial sector level, the percentage of interest paid to total receipts by manufacturers was 2.7 percent for FCDCs and 3.4 percent for all corporations. In the wholesale trade sector, the percentages were similar, 1.0 for FCDCs and 0.9 for all corporations. Complete income statement statistics of FCDCs are shown in Tables 24 and 25 of *Statistics of Income—2006, Corporation Income Tax Returns*.

Total receipts less total deductions for FCDCs equaled \$168.7 billion for 2006. By comparison, net income (less deficit) amounted to \$172.6 billion. The statistics for total receipts less total deductions include all income actually received by corporations, while the statistics for net income (less deficit) focus on taxable sources of corporate income, including “constructive” taxable income. Thus, unlike total receipts less total deductions, net income (less deficit) includes two items of constructive taxable income from related foreign corporations, and excludes nontaxable interest on State and local government obligations.<sup>13</sup> The two items of constructive taxable income from related foreign corporations are includable income from foreign corporations owned by U.S. shareholders and foreign dividend gross-up. (See “constructive taxable income from related foreign corporations” in the Explanation of Selected Terms section.) For 2006, FCDCs reported \$5.7 billion of constructive taxable income, and received \$1.8 billion of nontaxable interest on State and local government obligations.

Net income (less deficit) for foreign-controlled domestic corporations increased from \$165.2 billion

<sup>13</sup> In general, the computation of net income (less deficit) can be shown as follows:

*Begin With:* Total Receipts

(Includes Business Receipts)

*Less:* Total Deductions

(Includes Cost of Goods Sold)

*Equals:* Total Receipts Less Total Deductions

*Plus:* Constructive Taxable Income from Related Foreign Corporations

(Includes Includable Income from Controlled Foreign Corporations and Foreign Dividend Gross-Up)

*Less:* Nontaxable Interest on State and Local Government Obligations

(Included in Total Receipts, above)

*Equals:* Net Income (Less Deficit)

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for 2005, to \$172.6 billion for 2006. This was a 4.5 percent increase. In contrast, net income (less deficit) reported on all corporation income tax returns decreased slightly between 2005 and 2006, by 0.8 percent, to \$1.9 trillion.

The \$172.6 billion of total FCDC net income (less deficit) were the result of 30,318 corporations collectively reporting \$214.8 billion of positive net income and 33,633 companies reporting \$42.3 billion of deficits.<sup>14</sup> Thus, less than one out of every two (47.4 percent) domestic corporations with foreign owners reported a positive net income for 2006. In comparison, 57.7 percent of all corporations filing U.S. income tax returns for the same year reported a positive net income.

The percentage of FCDCs reporting positive net income varied greatly among the different industrial groups. At the industrial sector level, the portion reporting positive net income ranged from a low of 12.8 percent for “other” services, to a high of 81.2 percent for health care and social assistance. For the more predominant sectors of FCDCs, the percentages of profitable companies were 57.0 percent for manufacturing and 50.1 percent for wholesale trade.

The \$42.3 billion of deficits for 2006 could be carried back or forward to other tax years, under prescribed rules, to reduce the taxable income of those years (see “net operating loss deduction” (NOL) in the Explanation of Selected Terms section). Net operating losses carried back to Tax Year 2006 from 2007 and beyond, reported on Forms 1120X and 1139, are not included in the statistics shown in this article.<sup>15</sup> However, NOLs carried forward to Tax Year 2006 from prior years are included in the statistics and discussed in the next section.

### Taxable Income and Taxes

For most corporations, taxable income (i.e., “income subject to tax”) is generally equal to positive net income less statutory special deductions.<sup>16</sup> Statutory special deductions include deductions for net operating loss (NOL) carryovers from prior years and the

special deductions for dividends and other corporate attributes allowed by the Internal Revenue Code. For 2006, the difference between the \$214.8 billion of positive net income and \$171.3 billion of taxable income was, for the most part, the result of statutory special deductions. The net operating loss deduction was \$37.6 billion and accounted for 75.8 percent of the \$49.6 billion of total statutory special deductions. In calculating taxable income for 2006, FCDCs reduced their positive net incomes by 17.5 percent using NOLs carried over from prior years.

For 2006, foreign-controlled domestic corporations reported \$171.3 billion of taxable income. This was the base on which \$59.7 billion of income tax were computed. The \$60.3 billion of total income tax before credits reported by FCDCs consisted primarily of the income tax, plus the alternative minimum tax and certain other taxes. The alternative minimum tax was \$0.6 billion, and the remaining taxes comprised a very small part of the total.

Tax credits totaling \$10.4 billion reduced the U.S. income tax liability of foreign-controlled domestic corporations from \$60.3 billion to \$50.0 billion for 2006. The largest credits claimed were \$8.0 billion of foreign tax credits, \$1.4 billion of general business credits, and \$0.9 billion of prior-year minimum tax credits. The \$50.0 billion of total U.S. income tax after credits represent the tax liability as originally reported by taxpayers. However, this amount may differ from the actual income tax collected and the final income tax liability of corporations for Tax Year 2006. The originally reported tax liability does not take into account either: (1) amended returns filed by the corporations, or (2) adjustments made by IRS as a result of tax examination or enforcement activities. Among other reasons, corporations could file amended returns to use carry-back provisions for net operating losses and unused foreign tax and general business credits.

The percentage of FCDCs reporting U.S. tax liabilities (i.e., total income tax after credits) for 2006 was 35.3 percent, nearly the same as for 2005. The

<sup>14</sup> The 33,633 companies reporting a deficit may include a small number of “break-even” companies, i.e., those whose receipts and deductions were equal.

<sup>15</sup> When a company carried back a deficit to a previous tax year, it could file either Form 1120X, *Amended U.S. Corporation Income Tax Return*, or Form 1139, *Corporation Application for Tentative Refund*.

<sup>16</sup> There were certain exceptions to the relationship of positive net income minus statutory special deductions equaling taxable income. First, in some cases, the statutory special deductions for dividends received and for dividends paid on certain preferred stock of public utilities exceeded net income. Second, the tax bases of S corporations and life insurance companies were not defined as net income less statutory special deductions. Rather, these types of corporations computed taxable income using special provisions of the Internal Revenue Code. Also, regulated investment companies and real estate investment trusts generally passed their net incomes on to be taxed at the shareholder level; but any taxable amounts not distributed were included in income subject to tax.



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amount of tax liability reported by FCDCs increased to \$50.0 billion for 2006 from \$42.4 billion for 2005, a 17.8-percent increase.

## The “Largest” Foreign-Controlled Domestic Corporations

This article defines the largest companies as those with at least \$250 million of total assets, or those that produced at least \$50 million of business receipts. Within the finance and insurance, and management of companies (holding companies) industrial sectors, total receipts were used in place of business receipts for selecting the largest companies.

Both size of assets and size of receipts were used to select the largest companies in order to ensure adequate coverage of all industries. As discussed, financial structure varies across industries. For instance, companies classified in wholesale trade generally report large amounts of receipts compared to their end-of-year assets. By comparison, credit intermediation corporations generally report large amounts of assets compared to their receipts. If either assets or receipts were used exclusively to select the largest companies, then the largest companies in one of these industrial groups would have been underrepresented in comparison to the other group.

Table 4 shows data for the largest FCDCs apportioned by industrial sectors. This table also contains data for large domestic corporations that were not foreign-controlled. These “other domestic corporations” (ODCs) were not foreign-controlled or owned (i.e., they were either owned by domestic persons, or no separate foreign person owned 25 percent or more of the corporation’s stock). This definition of other large domestic corporations is used throughout this article, including the data shown in Figures F through H. Thus, domestic corporations with a foreign person who owned between 25 percent and 49 percent of the corporation’s stock are not included in either of the two groups shown in Figures F through H, and Table 4.<sup>17</sup> These corporations are identified from Schedule K of Form 1120 during Statistics of Income processing. However, they are neither FCDCs nor ODCs, as defined.

Table 4 shows that there were a total of 19,241 large domestic corporations for 2006. Of this total, foreign persons controlled 3,948 corporations, or 20.5 percent. This percentage is remarkably larger than the 1.1 percent that FCDCs accounted for of all corporations, regardless of size.

The 3,948 large foreign-controlled domestic corporations comprised just 6.2 percent of the number of income tax returns filed by FCDCs. However, these large companies accounted for the majority of the key FCDC financial items, reporting 94.5 percent of the total assets, 94.9 percent of the total receipts, 93.1 percent of the taxable income, and 92.3 percent of the total income tax after credits, of all FCDCs.

There were 15,293 large domestic corporations that did not have controlling foreign owners for 2006. Similar to FCDCs, these large companies also accounted for a small portion of the total number of income tax returns filed by domestic corporations without foreign owners, but comprised a significant portion of the key financial items reported for these filers.

The largest domestic corporations are primarily “old” corporations, with incorporation dates prior to 2004. Of the 3,948 large FCDCs contained in the Tax Year 2006 study, 90.1 percent were old corporations. Other large domestic corporations were similar to the FCDCs in this respect, with old corporations accounting for 91.4 percent of this group of 15,293 corporations. See Figures F1 and F2.

In previous years, the largest companies generally reported larger profits as a percentage of receipts than their smaller counterparts. However, for 2006, this was not the case. The largest FCDCs reported net profits of \$161.7 billion, 4.4 percent of the companies’ receipts. The smaller FCDCs reported net profits of \$10.8 billion, 5.5 percent of the companies’ receipts.

## Industry Characteristics

The industrial makeup of the largest foreign-controlled domestic companies is somewhat different from that of other domestic corporations. For 2006, 37.5 percent of the largest FCDCs were classified

<sup>17</sup> Data for domestic corporations that filed Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations) are excluded from the comparisons between large FCDCs and other large domestic corporations shown in Figures F through H, and Table 4. However, returns filed on these forms are included in the data of other figures and tables contained in this article, as appropriate. While corporations filing these income tax returns report their incomes, they generally have little or no tax liabilities. Through separate special provisions of the Internal Revenue Code applicable to each of these types of corporations, the incomes of these corporations are generally taxed at the shareholder level. The Explanation of Selected Terms section discusses in greater detail the nature of real estate investment trusts (REITs), regulated investment companies (RICs), and S corporations.

# Foreign-Controlled Domestic Corporations, 2006

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**Figure F1**

## "Large" Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Total Income Tax After Credits as a Percentage of Total Receipts, Tax Year 2006

[Money amounts are in millions of dollars]

Percentage of total income tax after credits divided by total receipts	All returns			Returns of "old" corporations		Total assets		Total receipts	
	Number	Percentage of total	Cumulative percentage	Number	Percentage of all returns	Amount	Average	Amount	Average
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Total</b>	<b>3,948</b>	<b>100.0</b>	<b>N/A</b>	<b>3,557</b>	<b>90.1</b>	<b>9,209,383</b>	<b>2,333</b>	<b>3,642,030</b>	<b>923</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	4	0.1	0.1	d	d	3,510	878	0	0
Zero percent	1,061	26.9	27.0	911	85.9	891,847	841	582,290	549
Greater than zero and under 0.5 percent	1,059	26.8	53.8	976	92.2	3,624,537	3,423	1,054,436	996
0.5 percent under 1.0 percent	431	10.9	64.7	399	92.6	1,466,612	3,403	743,843	1,726
1.0 percent under 1.5 percent	290	7.3	72.0	271	93.4	384,948	1,327	284,638	982
1.5 percent under 2.0 percent	230	5.8	77.8	212	92.2	493,340	2,145	393,611	1,711
2.0 percent under 3.0 percent	275	7.0	84.8	247	89.8	484,590	1,762	186,504	678
3.0 percent under 4.0 percent	208	5.3	90.1	187	89.9	662,981	3,187	182,983	880
4.0 percent under 5.0 percent	104	2.6	92.7	92	88.5	316,709	3,045	60,269	580
5.0 percent under 7.5 percent	125	3.2	95.9	116	92.8	548,153	4,385	83,068	665
7.5 percent under 10.0 percent	61	1.5	97.4	d	d	56,747	930	26,077	427
10.0 percent or more	100	2.5	100.0	87	87.0	275,411	2,754	44,312	443

Percentage of total income tax after credits divided by total receipts	Total deductions	Total receipts less total deductions	Net income (less deficit)			Income subject to tax	Total income tax		
			Total	Net income	Deficit		Before credits	After credits	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	Amount	Average
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
<b>Total</b>	<b>3,484,182</b>	<b>157,849</b>	<b>161,718</b>	<b>191,822</b>	<b>-30,105</b>	<b>159,482</b>	<b>56,297</b>	<b>46,095</b>	<b>12</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	80	-80	-80	0	-80	0	0	0	0
Zero percent	605,439	-23,149	-22,299	5,117	-27,416	1,180	410	0	0
Greater than zero and under 0.5 percent	1,029,246	25,190	25,706	28,301	-2,595	10,912	4,107	1,257	1
0.5 percent under 1.0 percent	711,351	32,492	33,838	33,844	-6	30,190	10,606	6,486	15
1.0 percent under 1.5 percent	272,033	12,605	12,669	12,677	-7	11,338	3,995	3,650	13
1.5 percent under 2.0 percent	372,575	21,035	21,138	21,138	0	19,981	7,000	6,650	29
2.0 percent under 3.0 percent	171,245	15,259	15,450	15,450	0	14,857	5,216	4,610	17
3.0 percent under 4.0 percent	161,920	21,063	21,744	21,744	0	19,268	6,794	6,130	29
4.0 percent under 5.0 percent	51,838	8,432	8,557	8,557	0	8,119	2,820	2,642	25
5.0 percent under 7.5 percent	66,857	16,211	16,165	16,165	0	15,920	5,568	5,197	42
7.5 percent under 10.0 percent	19,464	6,613	6,640	6,640	0	6,624	2,321	2,189	36
10.0 percent or more	22,134	22,178	22,189	22,189	0	21,093	7,461	7,284	73

N/A—Not applicable.

d—Not shown to avoid disclosure of information about specific corporations. However, data are included in the appropriate totals.

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors). "Old" corporations were those with dates of incorporation prior to 2004, or with unknown dates of incorporation. Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent. Detail may not add to totals because of rounding.

as manufacturers, while manufacturers made up just 21.4 percent of the largest domestic companies that were not foreign-controlled. Similarly, wholesalers were a larger share of the FCDCs (28.0 percent) than

of the other large domestic corporations (14.8 percent). Conversely, 12.9 percent of the largest ODCs were classified in finance and insurance, while this sector made up just 7.8 percent of the largest FCDCs.



# Foreign-Controlled Domestic Corporations, 2006

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**Figure F2**

## "Large" Domestic Corporations Not Foreign Controlled: Selected Items and Percentages, by Total Income Tax After Credits as a Percentage of Total Receipts, Tax Year 2006

[Money amounts are in millions of dollars]

Percentage of total income tax after credits divided by total receipts	All returns			Returns of "old" corporations		Total assets		Total receipts	
	Number	Percentage of total	Cumulative percentage	Number	Percentage of all returns	Amount	Average	Amount	Average
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Total</b>	<b>15,293</b>	<b>100.0</b>	<b>N/A</b>	<b>13,971</b>	<b>91.4</b>	<b>44,987,115</b>	<b>2,942</b>	<b>14,479,104</b>	<b>947</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	9	0.1	0.1	5	55.6	19,529	2,170	0	0
Zero percent	3,666	24.0	24.1	3,087	84.2	3,426,070	935	1,731,258	472
Greater than zero and under 0.5 percent	4,018	26.3	50.4	3,795	94.4	4,222,794	1,051	2,618,742	652
0.5 percent under 1.0 percent	1,385	9.1	59.5	1,284	92.7	5,050,437	3,647	1,830,202	1,321
1.0 percent under 1.5 percent	1,005	6.6	66.1	938	93.3	8,461,696	8,420	1,889,531	1,880
1.5 percent under 2.0 percent	747	4.9	71.0	683	91.4	2,385,499	3,193	1,277,247	1,710
2.0 percent under 3.0 percent	1,147	7.5	78.5	1,079	94.1	5,909,998	5,153	1,789,049	1,560
3.0 percent under 4.0 percent	816	5.3	83.8	776	95.1	6,407,480	7,852	1,468,205	1,799
4.0 percent under 5.0 percent	592	3.9	87.7	544	91.9	1,866,238	3,152	636,408	1,075
5.0 percent under 7.5 percent	968	6.3	94.0	906	93.6	5,262,431	5,436	883,334	913
7.5 percent under 10.0 percent	494	3.2	97.2	468	94.7	1,207,560	2,444	208,715	423
10.0 percent or more	445	2.9	100.0	406	91.2	767,382	1,724	146,413	329
Percentage of total income tax after credits divided by total receipts	Total deductions	Total receipts less total deductions	Net income (less deficit)			Income subject to tax	Total income tax		
			Total	Net income	Deficit		Before credits	After credits	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	Amount	Average
<b>Total</b>	<b>13,475,580</b>	<b>1,003,524</b>	<b>1,068,755</b>	<b>1,158,410</b>	<b>-89,655</b>	<b>1,037,923</b>	<b>367,253</b>	<b>278,815</b>	<b>18</b>
Percentage of total income tax after credits divided by total receipts:									
Zero total receipts	47	-47	-44	3	-47	0	0	0	0
Zero percent	1,808,277	-77,019	-70,657	13,775	-84,432	5,476	1,788	0	0
Greater than zero and under 0.5 percent	2,548,313	70,430	81,922	86,698	-4,776	37,936	14,244	3,682	1
0.5 percent under 1.0 percent	1,726,824	103,378	112,691	112,853	-162	95,317	34,216	13,993	10
1.0 percent under 1.5 percent	1,789,754	99,777	109,380	109,522	-142	104,736	36,477	23,047	23
1.5 percent under 2.0 percent	1,201,769	75,478	80,871	80,895	-23	76,785	27,251	22,708	30
2.0 percent under 3.0 percent	1,622,426	166,623	176,781	176,823	-42	165,187	59,044	44,773	39
3.0 percent under 4.0 percent	1,300,899	167,306	170,954	170,954	0	164,124	57,471	48,813	60
4.0 percent under 5.0 percent	541,225	95,182	95,719	95,719	0	90,579	31,704	28,395	48
5.0 percent under 7.5 percent	704,009	179,326	185,285	185,316	-32	174,514	61,906	53,301	55
7.5 percent under 10.0 percent	154,796	53,919	55,210	55,210	0	53,909	18,849	17,432	35
10.0 percent or more	77,241	69,172	70,642	70,642	0	69,361	24,302	22,672	51

N/A—Not applicable.

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors). "Old" corporations were those with dates of incorporation prior to 2004, or with unknown dates of incorporation. Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent. Detail may not add to totals because of rounding.

Retailers accounted for 11.0 percent of the largest domestic companies that were not foreign-controlled, while only 3.1 percent of the largest FCDCs were similarly classified. See Figure G for other differences in the industrial makeup of these two groups of corporations.

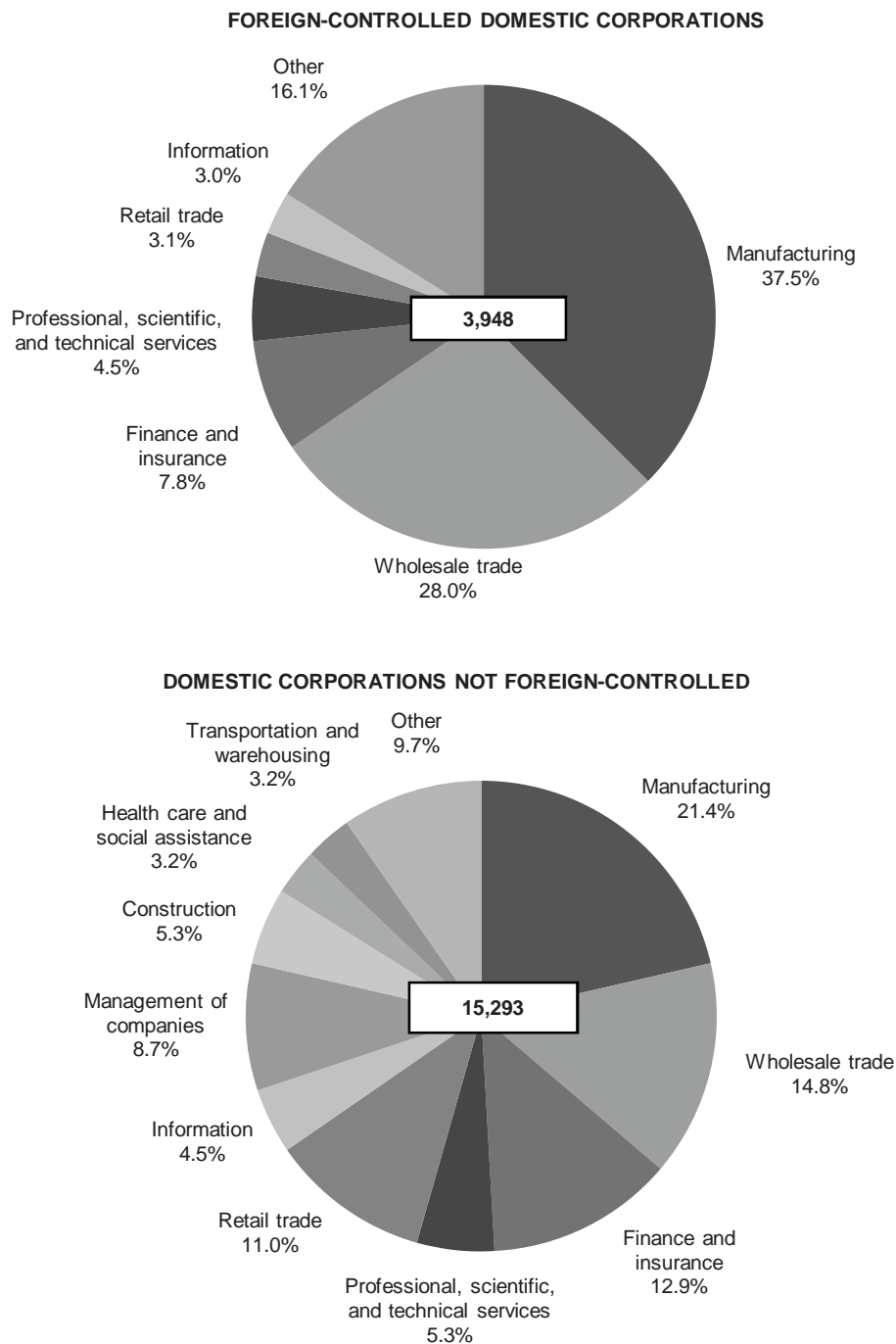
Table 4 presents industrial sector-level data for the largest domestic corporations, both foreign- and nonforeign-controlled. Column 43 of this table shows the percentage of returns that reported profits (i.e., positive net income). While 75.7 percent of large FCDCs reported profits, 78.3 percent of other

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**Figure G**

**Distribution of Returns by Industry for "Large" Foreign-Controlled and Other Domestic Corporations, Tax Year 2006**



NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more. (Total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors.) Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent.

## Foreign-Controlled Domestic Corporations, 2006

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large domestic corporations were profitable. There are 19 different industrial sectors shown in the table, treating wholesale trade and retail trade as separate sectors. Other domestic corporations (ODCs) had higher percentages of profitable companies in 10 sectors; FCDCs had higher percentages in the other 9 sectors. For a given sector, the difference in the percentages for FCDCs and ODCs might be large or small. Within each group of corporations, the percentage of corporations that reported a profit varied substantially across the industrial sectors. For this reason, it is important to compare the two types of corporations for a specific industry, rather than for all industries. This will be discussed later in this article, specifically looking at the two key industrial sectors for FCDCs: manufacturing and wholesale trade.

Column 57 of Table 4 shows the ratio of net income (less deficit) to total receipts.<sup>18</sup> Overall, net income (less deficit) as a percentage of receipts for large FCDCs (4.4 percent) was considerably smaller than for ODCs (7.4 percent). Within each group of corporations, the ratio of profits to receipts varied across the industrial sectors. Other domestic corporations had higher ratios of net income (less deficit) to receipts than FCDCs in 12 out of 19 industrial sectors.

The ratio of taxable income (i.e., “income subject to tax”) to total receipts is shown in column 61 of Table 4. This ratio, unlike the ratio of net income (less deficit) to total receipts discussed earlier, excludes deficits, and includes the amount of statutory special deductions reported on tax returns.

FCDCs generally had lower ratios of taxable income to receipts than those of other domestic corporations, 4.4 percent for FCDCs versus 7.2 percent for ODCs for all industries. For each group of large corporations, the ratio of taxable income to receipts varied among the different industrial sectors. Of the

19 different industrial sectors shown in the table, ODCs had higher taxable income as a percentage of receipts in 14 sectors.

Table 4 also includes the ratio of total U.S. income tax after credits to total receipts (column 64).<sup>19</sup> The total income tax after credits reported by both FCDCs (\$46.1 billion) and ODCs (\$278.8 billion) represents the tax liability of these companies as reported on their originally filed U.S. income tax returns (see column 42).

The ratio of tax to receipts shown in column 64 of Table 4 takes into account only the U.S. tax liabilities of the corporations. Additional data, which are beyond the scope of this article, would be required to examine the worldwide tax liabilities of the corporations.<sup>20</sup>

Figures F1 and F2 present 12 categories of U.S. tax liability as a percentage of total receipts, shown separately for large FCDCs and for large ODCs. For 2006, Figure F1 shows that large FCDCs reported \$46.1 billion of total income tax after credits, 1.3 percent of their total receipts. Column 3 of Figure F1 shows that 27.0 percent of FCDCs had no U.S. tax liabilities, 64.7 percent of the companies had tax liabilities of less than 1.0 percent of their receipts, and 90.1 percent of the companies had tax liabilities of less than 4.0 percent of their receipts. By comparison, Figure F2 shows that large domestic corporations not foreign-controlled reported \$278.8 billion of total income tax after credits, 1.9 percent of their total receipts. For these companies, 24.1 percent had no tax liabilities, 59.5 percent had tax liabilities of less than 1.0 percent of their receipts, and 83.8 percent had tax liabilities of less than 4.0 percent of their receipts.

FCDCs claimed smaller amounts of tax credits than ODCs in relative terms. For 2006, large FCDCs

<sup>18</sup> Net profits (i.e., net income (less deficit)) is one of the key factors that affect the amount of retained earnings of corporations. Columns 12-14 of Table 4 show corporate total, appropriated, and unappropriated retained earnings, respectively. The amounts of retained earnings were reported in the end-of-year balance sheets of the corporations' books of account. They represent earnings and profits of the corporations retained from normal and discontinued operations of previous years, as well as “extraordinary” gains and losses, and prior period adjustments. The amounts are also after reductions for dividends and distributions made to stockholders. (For a more extensive discussion of retained earnings, see *Statistics of Income—2006, Corporation Income Tax Returns*.) Appropriated retained earnings were earnings set aside for specific purposes, such as reserves for plant expansion or bond retirements, and not available for distribution to stockholders. For 2006, the largest FCDCs reported \$11.5 billion of total retained earnings, while other large domestic corporations reported \$4.2 trillion of retained earnings. Retained earnings is a component of net worth and thus affects the ratio of net income (less deficit) to net worth, which is shown in column 56 of Table 4.

<sup>19</sup> In using total income tax after credits as a percentage of total receipts, it should also be noted that a small portion of total income tax after credits (for example, the tax recapture of prior-year investment credits) does not relate to the current-year total receipts reported by corporations. However, this is not considered to be a major limitation in using the percentage because the regular income tax and the alternative minimum tax represented over 99 percent of the total income tax for both FCDCs and ODCs.

<sup>20</sup> One focus of this article is U.S. total income tax after credits. The reader might choose to focus instead on total worldwide taxes, which may be approximated by adding the foreign tax credits claimed by corporations to the U.S. tax liabilities (i.e., total income tax after credits) of these corporations. There are limitations in using this procedure, and the foreign tax credit only approximates the foreign tax liabilities of the corporations. Table 4 shows amounts of foreign tax credits in addition to U.S. total income tax after credits. For the most recent statistics covering corporate foreign tax credits in depth, see Luttrell, Scott, “Corporate Foreign Tax Credit, 2004,” in the Summer 2008 issue of the *Statistics of Income Bulletin* (Volume 28, Number 1). In addition, foreign tax credit data are included on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Corporate Foreign Tax Credits.

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claimed \$10.2 billion of credits, equaling 18.1 percent of their income tax liabilities before credits. Other large domestic corporations claimed \$88.4 billion of credits for the same tax year, equaling 24.1 percent of their income tax liabilities before credits. The largest credit claimed by each group of corporations was the foreign tax credit, \$7.9 billion by large FCDCs (14.1 percent of their tax liabilities) and \$69.5 billion by other large domestic corporations (18.9 percent of their tax liabilities).

Overall, while large FCDCs reported average tax liabilities after credits of \$1.27 per \$100 of receipts (or 1.27 percent), other domestic corporations reported tax liabilities after credits of \$1.93 per \$100 of receipts (or 1.93 percent). Of the 19 different industrial sectors shown in Table 4, ODCs had higher tax to receipts ratios in 15 sectors.

Table 4 highlights once again the differences in financial characteristics of corporations in different industries. For instance, looking at large FCDCs, finance and insurance companies have a higher ratio of net income (less deficit) to receipts (4.8 percent) than do wholesalers (3.1 percent); see column 57. Because the percentages of companies allocated by principal industrial activities are not the same for the largest FCDCs as they are for ODCs, this, again, illustrates the importance of comparing the two groups of corporations on an industry basis. This article will now look at two specific industrial sectors that are important to FCDCs, manufacturing and wholesale trade.

Manufacturing was a significant industrial sector for large FCDCs, accounting for nearly one-half of the total receipts of the group of corporations. Both large manufacturing FCDCs and ODCs were primarily “old” corporations; 89.9 percent of FCDCs and 89.5 percent of ODCs were incorporated before 2004. Large ODC manufacturers had higher percentages than those of large FCDC manufacturers in each of four calculations. Specifically, the percentage of ODCs in this industrial sector that reported positive profits was higher, but similar to that for the FCDCs, 73.3 percent and 72.6 percent, respectively (see column 43 of Table 4). Looking at the actual amounts of those positive profits and also accounting for losses reported by the remaining companies, the percentage of net income (less deficit) to total receipts was significantly higher for ODCs, 7.6 percent, than it was for FCDCs, 4.3 percent (see column 57 of Table 4). Net income (less deficit) as a percentage

of total receipts for Tax Years 1999-2006 is shown in Figure H. The difference in the percentages for large FCDCs and large ODCs for Tax Year 2006 is similar to the differences for each of the 7 previous tax years.

Large manufacturing ODCs reported taxable incomes of 7.6 percent of their receipts, while the percentage for large FCDCs was smaller at 4.4 percent (see column 61 of Table 4). The ratios of total income tax after credits to total receipts for ODCs and FCDCs were 1.6 percent and 1.2 percent, respectively (see column 64 of Table 4). The relative similarity of these tax to receipts ratios is partially explained by the difference in the amounts of credits that the two groups of corporations reported. ODCs reported larger credits than did the FCDCs, thereby reducing their postcredit tax liabilities by a larger portion. ODCs reported credits equaling 40.8 percent of their precredit income tax liabilities. For FCDCs, the percentage was substantially less, at 22.0 percent. For both groups of corporations, foreign tax credits accounted for most of the total credits.

Wholesale trade was also a significant industrial sector for large FCDCs, accounting for 20.1 percent of the total receipts of the group of corporations. Most large FCDCs (93.8 percent) and ODCs (94.3 percent) in this sector were “old” corporations, incorporated before 2004. The percentage of ODCs in this industrial sector that reported positive profits was higher, but similar to that for the FCDCs, 84.3 percent and 83.1 percent, respectively. Looking at the amounts of both profits and losses across the entire sector, the percentage of net income (less deficit) to total receipts was somewhat higher for ODCs (3.8 percent) than it was for FCDCs (3.1 percent). Figure H shows that the difference in percentages (of net income (less deficit) as a percentage of total receipts) between ODCs and FCDCs was often small for each of the 8 Tax Years 1999-2006. In particular, the differences for Tax Years 1999, 2000, 2002, 2003, and 2005 were small.

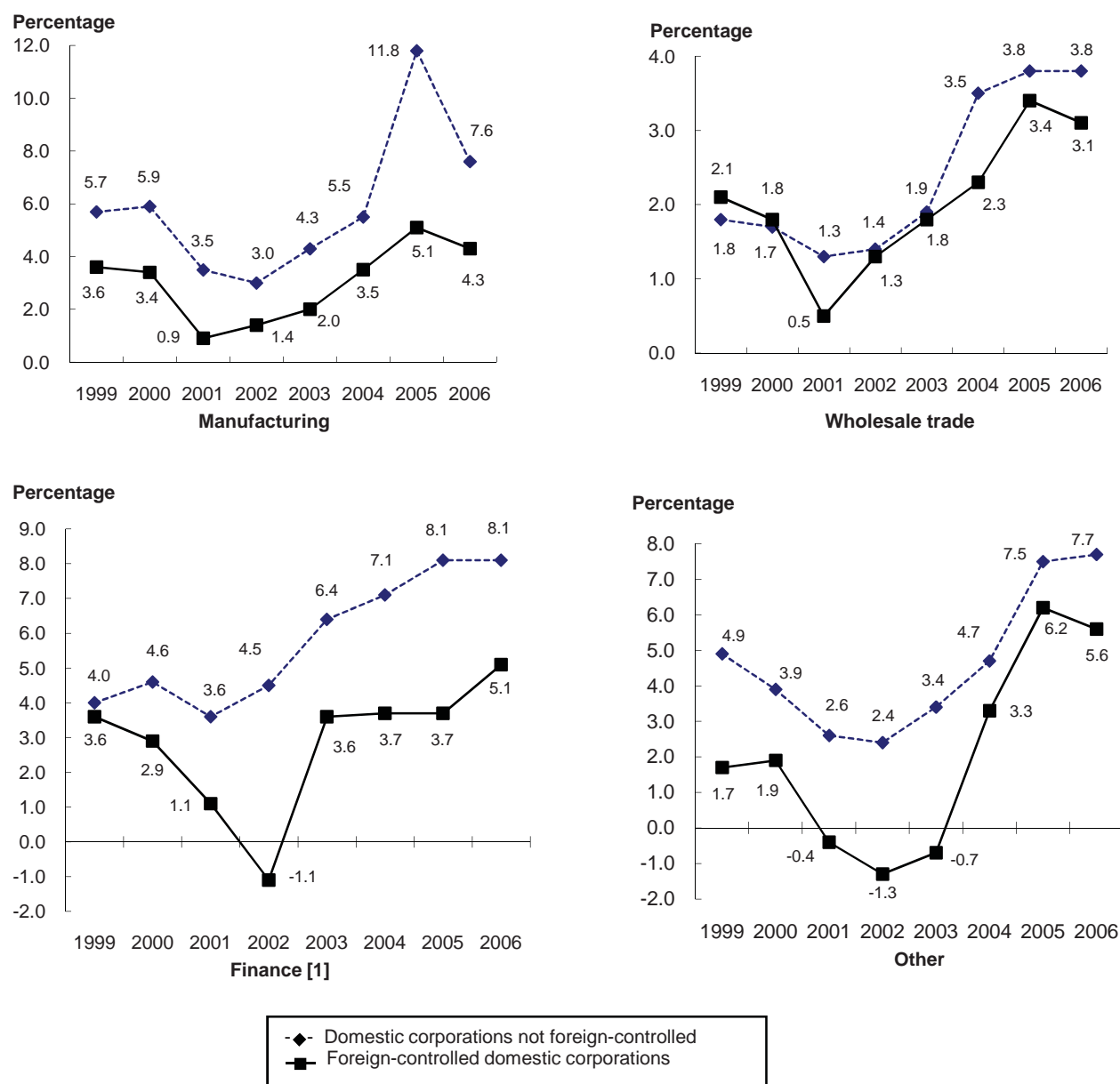
Large wholesale ODCs reported taxable incomes of 3.9 percent of their receipts, while the percentage was 3.1 for FCDCs. The ratio of total income tax after credits to total receipts was virtually identical for ODCs (1.1 percent) and FCDCs (1.0 percent). These percentages are once again impacted by the amount of credits claimed by both groups of corporations. ODCs reported much larger credits than did the FCDCs, thereby reducing their postcredit tax li-

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**Figure H**

**"Large" Domestic Corporations: Net Income (Less Deficit) as a Percentage of Total Receipts, by Control Status and Industry, Tax Years 1999-2006**



[1] Includes returns classified in the "finance and insurance" and "real estate and rental and leasing" industrial sectors of the North American Industry Classification System.

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more. (Total receipts are used in lieu of business receipts for the finance and insurance, and management of companies sectors.) Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent.



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abilities by a larger portion. ODCs reported credits equaling 15.0 percent of their precredit income tax liabilities. For FCDCs, the percentage was much smaller, at just 6.7 percent. For both groups of corporations, the foreign tax credit was the largest credit.

## Summary

The number of income tax returns filed by FCDCs increased by 3.4 percent for 2006, to 63,951. FCDCs accounted for only 1.1 percent of all corporation income tax returns filed for the year. This percentage is much smaller than the percentages of receipts (14.0 percent) and assets (13.3 percent) that FCDCs produced.

FCDC assets grew for 2006, as did the assets for all corporations. FCDC assets totaled \$9.7 trillion for 2006, a 5.7-percent increase from the previous year. By comparison, all corporations reported a total of \$73.1 trillion of assets for 2006, a 10.0-percent increase over the previous year. FCDCs accounted for 13.3 percent of total corporate assets for 2006, down from 13.9 percent for the previous year.

Foreign business activity in the United States through FCDCs grew for Tax Year 2006. FCDCs reported \$3.8 trillion of total receipts for the year, a 9.5-percent increase over the 2005 level. Total receipts reported on all U.S. corporation income tax returns increased comparatively less, by 7.4 percent from the previous year. As a result, the share of total corporate receipts accounted for by FCDCs increased from 13.7 percent to 14.0 percent.

Two industrial sectors, manufacturing and wholesale trade, generated more than two-thirds of the \$3.8 trillion of total FCDC receipts. Manufacturers produced \$1.8 trillion of receipts, while wholesalers accounted for an additional \$0.8 trillion.

Domestic corporations controlled by persons in the United Kingdom reported total receipts of \$0.9 trillion, 23.2 percent of the FCDC total. In addition, FCDCs owned by persons in Japan (16.1 percent), Germany (12.9 percent), Canada (9.4 percent), the Netherlands (7.5 percent), France (6.3 percent), and

Switzerland (4.9 percent) accounted for significant portions of receipts.

FCDC profits were somewhat larger, by 4.5 percent, than those of the previous year. The collective net income (less deficit) reported by foreign-controlled domestic corporations increased from \$165.2 billion for 2005 to \$172.6 billion for 2006. To place the performance of FCDCs in context, total corporate profits decreased slightly, by 0.8 percent, remaining at \$1.9 trillion for 2006.

The U.S. tax liability of FCDCs (i.e., total income tax after credits) moved in the same direction as did profits, increasing from \$42.4 billion for 2005 to \$50.0 billion for 2006, or by 17.8 percent. To place this in perspective, the 2006 U.S. tax liabilities of all corporations were 13.1 percent more than the previous year.

Of the 63,951 foreign-controlled domestic corporations, the 3,948 “largest” companies accounted for most of the total amounts of key financial items (e.g., 94.5 percent of the total assets, 94.9 percent of the total receipts, 93.1 percent of the taxable income, and 92.3 percent of the total income tax after credits).

In comparing the 3,948 large foreign-controlled domestic corporations to the 15,293 other large domestic companies on the basis of industry, FCDCs had lower performances than ODCs in most sectors using each of the following four criteria: (1) percentage of corporations that reported profits, (2) percentage of net income (less deficit) to total receipts, (3) percentage of taxable income to total receipts, and (4) percentage of total income tax after credits to total receipts.<sup>21</sup>

## Explanation of Selected Terms

The following are brief explanations of some of the terms used in this article. For more extensive definitions, see *Statistics of Income—2006, Corporation Income Tax Returns*, IRS Publication 16.

*Alternative minimum tax*—This tax was designed to ensure that a taxpayer with substantial economic income would have at least a minimum amount of income tax liability in spite of the legitimate use

<sup>21</sup> While this article has been able to compare several key ratios related to the profits and taxes reported by foreign-controlled domestic corporations and other domestic corporations on the same bases of size and industry, additional research is needed to explain the differences in those ratios. For additional information on this subject, see “Tax Administration: Comparison of the Reported Tax Liabilities of Foreign- and U.S.-Controlled Corporations, 1998-2005,” U.S. Government Accountability Office, GAO-08-957, July 2008. Also, see Grubert, Harry, “Another Look at the Low Taxable Income of Foreign-Controlled Companies in the United States,” U.S. Department of the Treasury, Office of Tax Analysis, Paper 74, 1997; and Mataloni, Raymond J., Jr., “An Examination of the Low Rates of Return of Foreign-Owned U.S. Companies,” U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, March 2000.

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of exclusions, deductions, and credits. In effect, it provided a second tax system that curtailed or eliminated many of the means of reducing taxes allowed in the regular tax system and taxed the resulting alternative taxable income at a reduced rate. The AMT is included in the amounts reported for both total income tax before (and after) credits.

**Balance sheets**—The balance sheet data presented in this article were the amounts reported by the taxpayer as of the end of the taxpayer's accounting year. Taxpayers were instructed to provide data that agreed with their books of account but were given very few other guidelines. Thus, the statistics for balance sheets contained more reporting variability than those for income statement and tax computation items. Since balance sheet data were from the taxpayer's books, they were generally governed by general accounting principles rather than the special rules of tax accounting. A number of steps were taken during statistical processing to reduce the variability due to taxpayer reporting practices. Misreported amounts were transferred to their proper accounts. Missing balance sheets were either supplied from reference books or statistically imputed based on other data and the company's characteristics. Some balance sheets were suppressed for final returns of corporations going out of existence and for most part-year returns (because the same company's end-of-year data could have been subject to inclusion from its full-year return).

**Business receipts**—These receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. They represented all of a corporation's receipts except investment and incidental income. Business receipts also exclude gains from the sale of assets. Some corporations reported sales and excise taxes as part of their gross receipts from sales (and deducted these taxes as part of "cost of goods sold" or as "taxes paid"); others reported their receipts after adjustment for these taxes. Business receipts include rents reported by real estate operators and other corporations for which rent made up a significant portion of income. The latter corporations included manufacturers that rented their products, lessors of public utility facilities, and companies engaged in rental

services, such as lodging places and the rental of automobiles. Business receipts include such banking items as fees, commissions, and credit card income. Interest, the principal operating income of banking and other financial institutions, was excluded from business receipts; rather, it was included in the separate statistics for interest received. Also, premium income of most insurance companies was included in business receipts. Security dealers included profits from security trades in business receipts.

**Constructive ownership rules**—The constructive ownership rules of Internal Revenue Code (IRC) section 318 apply in determining if a U.S. corporation is foreign-owned. However, if a corporation is owned by two or more "unrelated" foreign persons, neither of which owned 50 percent or more of the corporation, then that corporation was excluded from the FCDC statistics even though, together, these persons may have met the 50-percent-or-more ownership criterion. See also, Foreign Person, defined below.

**Constructive taxable income from related foreign corporations**—This item is the sum of includable income from Controlled Foreign Corporations (CFCs) and foreign dividend gross-up. IRC sections 951-964 ("Subpart F") created an exception to the general rule that the earnings and profits of CFCs were subject to U.S. taxation only when the income was actually distributed to U.S. shareholders.<sup>22</sup> Under Subpart F, some types of foreign income are required to be included in the income of the U.S. shareholders, although not actually distributed. This includable income comprises passive investment income, income from sources thought especially easy to shift between tax jurisdictions, and income from sources contrary to public policy. Foreign dividend gross-up is constructive taxable income to corporations that claim a foreign tax credit. A U.S. corporation could claim a foreign tax credit for a share of the foreign taxes actually paid by its related foreign corporations. The share of foreign taxes was treated as deemed paid by the U.S. corporation. In order to receive credit against U.S. tax, the foreign taxes deemed paid need to be included in the corporation's worldwide income. The dividend gross-up, which is the equivalent amount of the foreign taxes deemed

<sup>22</sup> For the most recent statistics covering CFCs, see Mahony, Lee and Miller, Randy, "Controlled Foreign Corporations, 2004," *Statistics of Income Bulletin*, Summer 2008, Volume 28, Number 1. In addition, CFC data are included on the IRS Internet site at [www.irs.gov](http://www.irs.gov), under Tax Stats/International/Controlled Foreign Corporations.



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paid by the U.S. corporation, is included as income of the U.S. corporation. Constructive taxable income from related foreign corporations is not included in the statistics for total receipts.

*Cost of goods sold*—This item generally consisted of the costs incurred by corporations in producing the goods or providing the services that generated the business receipts. Included were costs of materials used in manufacturing; costs of goods purchased for resale; direct labor; and a share of overhead expenses, such as rent, utilities, supplies, maintenance, and repairs. For statistical processing purposes, however, certain items (such as advertising, amortization, bad debts, compensation of officers, depletion, depreciation, interest paid, taxes, and contributions to charitable organizations, employee benefit programs, and pension plans) reported by taxpayers in cost of goods sold schedules were transferred to their respective and separate deduction categories.

*Current and noncurrent assets*—In this article, current assets plus noncurrent assets equal total assets. Table 4 of this article includes separate data for current assets and noncurrent assets. Current assets include cash, notes and accounts receivable (less the allowance for bad debts), inventories, investments in government obligations, tax-exempt securities, and other current assets, such as short-term prepaid expenses and nontrade receivables. Noncurrent assets include loans to stockholders, mortgage and real estate loans, other investments, depreciable assets (less accumulated depreciation), depletable assets (less accumulated depletion), land, intangible assets (less accumulated amortization), and other assets, including those not identified on the tax return as either current or long-term.

*Current and noncurrent liabilities*—In this article, current liabilities include accounts payable; mortgages, notes, and bonds payable in less than 1 year; and other current liabilities, such as accrued taxes, payrolls, and other expenses. Noncurrent liabilities include loans from stockholders; mortgages, notes, and bonds payable in 1 year or more; and other liabilities, including those not identified on the tax return as either current or long-term.

*Dividends received from domestic corporations*—These dividends represented most distributions from the earnings and profits of companies incorporated in the United States. They were generally used in computing the special deduction from net in-

come for dividends received. Dividend distributions among member corporations electing to file a consolidated return were eliminated from the statistics as part of the consolidated reporting of tax accounts.

*Dividends received from foreign corporations*—These were dividends paid from the earnings and profits of companies incorporated in foreign countries. This item does not include constructive taxable income from related foreign corporations (discussed above) because it was not an actual receipt. Dividends received from foreign corporations out of U.S. source earnings and profits or from Foreign Sales Corporations were usually eligible for the dividends received deduction. Not eligible were dividends out of foreign-source earnings and profits.

*Foreign person*—A foreign person (or entity) includes: (1) a foreign citizen or nonresident alien, (2) an individual who is a citizen of a U.S. possession (but who is not a U.S. citizen or resident), (3) a foreign corporation, (4) a foreign partnership, (5) a foreign estate or trust within the meaning of IRC section 7701(a)(31), and (6) a foreign government (or one of its agencies or instrumentalities) to the extent that it is engaged in the conduct of a commercial activity as described in IRC section 892.

*Foreign tax credit*—Although the United States taxes the worldwide income of U.S. persons (including corporations), foreign source income is often taxed as well by the country where the income is earned. The foreign tax credit provisions were enacted to mitigate the potential impact of the double taxation of foreign-source income. U.S. persons are allowed a credit against U.S. income tax for income taxes paid (or accrued) to foreign countries or U.S. possessions, subject to a limitation that prevented corporations from using foreign tax credits to reduce U.S. tax liability on U.S.-sourced income. A corporation that claimed the foreign tax credit could not also claim a business deduction for the same foreign taxes paid. The foreign tax credit was not allowed for taxes paid to certain foreign countries whose governments were not recognized by the United States, with which the United States severed or did not conduct diplomatic relations, or which provided support for international terrorism.

*Income subject to tax*—For most corporations, income subject to tax, i.e., taxable income, consisted of (positive) net income minus certain statutory special deductions. However, there were special provisions in the Internal Revenue Code for determining

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the taxable income of S corporations and insurance companies.

**Income tax**—This item was the amount of a corporation's tax liability calculated at the regular corporate tax rates. It is included in the amounts reported for both total income tax before (and after) credits. A small number of corporations without net income had an income tax liability under special life insurance rules.

**Interest**—This item is taxable interest, a component of total receipts. It includes interest on U.S. Government obligations, loans, notes, mortgages, corporate bonds, bank deposits, and dividends from savings and loans and mutual savings banks. This item does not include interest received from certain government obligations not subject to U.S. income tax, including those issued by States, local governments, the District of Columbia, and U.S. possessions.

**Net income (or deficit)**—This is a company's net profit or loss from taxable sources of income reduced by deductions allowed by the Internal Revenue Code. It reflects not only actual receipts, but "constructive" receipts as well (i.e., includable income from Controlled Foreign Corporations and the foreign dividend "gross-up"). Tax-exempt interest on State and local government obligations is excluded from this item, but is included in "total receipts." The deductions include ordinary and necessary business deductions, but do not include statutory special deductions. The statistics for (positive) net income are generally larger than those for "income subject to tax" because the latter is reduced by the amount of statutory special deductions, including the net operating loss deduction. In this article, for a group of returns, this item may be referred to as either "profits" (i.e., net income exceeds deficits) or "losses" (deficits exceed net income). On Form 1120, net income (or deficit) was reported on page 1, line 28, entitled "Taxable income before net operating loss deduction and special deductions."

**Net operating loss deduction (NOLD)**—A statutory "net operating loss" (NOL) for a given tax year could be carried back, in general, 2 years to reduce the taxable income of those years. Similarly, any amount of the NOL not offset against income during that time could be carried forward to offset income for a period not exceeding 20 years. A "net operating loss" is calculated using the laws and IRS regulations in effect for a given tax year, and is the excess of al-

lowable deductions over taxable income, with certain adjustments. The amount of the deduction included in the statistics of this article, however, consists only of losses from prior years carried forward and actually used to reduce taxable income for the current (2006) tax year. Losses incurred after Tax Year 2006 and carried back to that year at a later date were not reported on the tax returns used for this article. Net operating losses on which the 2006 deduction was based include: (1) the excess of ordinary and necessary business expenses over income for previous loss years, and (2) statutory special deductions claimed in a loss year for dividends received and for dividends paid on certain preferred stock of public utilities (or any excess of such deductions over net income).

**Net worth**—This item represented the stockholders' equity in the corporation, i.e., total assets less the claims of creditors. It is the net sum of capital stock, additional paid-in capital, appropriated retained earnings, and unappropriated retained earnings (including adjustments to shareholders' equity), minus the cost of treasury stock. Adjustments to shareholders' equity could be either positive or negative, and included unrealized gains and losses on securities held "available for sale." Treasury stock is common or preferred stock originally issued by the corporation that has been reacquired and held at the end of the accounting period by the issuing corporation.

**Number of returns**—The data contained in this article include the number of returns filed by "active" corporations (i.e., those reporting at least one item of income or deductions) for Tax Year 2006. For simplicity, the number of returns is sometimes referred to in this article as the number of corporations. However, the actual number of corporations may be larger than the number of returns because most domestic corporations could elect to file consolidated income tax returns. These returns were filed by common parent corporations and contained combined financial data of two or more affiliated domestic corporations meeting certain stock ownership requirements. Each consolidated return was treated for statistical purposes as a single unit.

**Real estate investment trusts**—Domestic corporations, trusts, and associations that meet certain ownership, purpose, income, and diversification requirements may elect to be taxed as real estate investment trusts (REITs). Foreign-controlled domestic corporations can be REITs. However, REITs played a

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much larger role for ODCs than for FCDCs.<sup>23</sup> REITs generally invest in real estate and mortgages. A beneficial ownership of the trust is established through transferable shares or transferable certificates of beneficial interest. Among the income requirements, at least 95 percent of the total gross income of a REIT must come from dividends; interest; rents from real property; and gains from the sale of stock, securities, and real property; etc. Additionally, at least 75 percent of total gross income must be derived from rents from real property; interest on mortgages on real property; gains from sales of real property and mortgages; and dividends and gains from the sale of transferable shares in other REITs; etc. The tax liability of REITs is generally very low. This is because, through a statutory special deduction for dividends paid, REITs are not taxed on amounts distributed to shareholders. In general, REITs must distribute to their shareholders at least 90 percent of their taxable incomes. Such distributions are taxed to the shareholders (i.e., beneficiaries).

*Regulated investment companies*—A regulated investment company (RIC) is a domestic corporation registered with the Securities and Exchange Commission as a management company, business development company, unit investment trust, common trust fund, or a similar fund. Typically, it is a mutual fund. Foreign-controlled domestic corporations can be RICs. However, RICs played a much larger role for ODCs than for FCDCs.<sup>23</sup> A RIC must meet certain Internal Revenue Code requirements, including deriving at least 90 percent of its gross income from dividends, interest, payments related to securities loans, and gains from the sale of stock or securities, foreign currencies, or other income related to its business of investing in such stock, securities, or currencies. The tax liability of RICs is generally very low. This is because, through a statutory special deduction for dividends paid, RICs are not taxed on amounts distributed to shareholders. In general, RICs must distribute to their shareholders at least 90 percent of their taxable incomes. Such distributions are taxed at the shareholder level.

*S corporations*—An S corporation has elected to be taxed through its shareholders under Internal Revenue Code section 1362. The IRC contains re-

strictive criteria that a company must meet in order to qualify as an S corporation, which include the number and types of shareholders. These companies are involved in numerous industrial activities. They report corporate income and deductions from their conduct of trades and businesses, but generally allocate any income or loss to their shareholders to be taxed only at the individual level. S corporations comprise a very large part of the corporate population. However, foreign-controlled domestic corporations cannot elect to be treated as S corporations.<sup>23</sup>

*Statutory special deductions*—In general, net income less statutory special deductions equals income subject to tax. This item is the sum of: (1) deductions for net operating loss carryovers from prior years, and (2) special deductions for dividends and other corporate attributes allowed by the Internal Revenue Code, which includes: (a) dividends received deductions, (b) deductions for dividends paid on certain stock of public utilities, (c) deductions for dividends paid by regulated investment companies and real estate investment trusts, (d) Internal Revenue Code section 857(b)(2)(E) deductions reported by real estate investment trusts, and (e) Code section 806(a) small life insurance company deductions. These deductions were in addition to ordinary and necessary business deductions.

*Total assets*—This item represented those assets reported in the end-of-year balance sheets of the corporations' books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the reserve for bad debts.

*Total income tax before and after credits*—For 2006, total income tax of FCDCs was primarily comprised of the income tax imposed on corporate income subject to tax (99.0 percent of the total tax). The alternative minimum tax accounted for 1.0 percent of the total. A small number of corporation income tax returns without net income reported amounts of income tax. The income tax, in these cases, resulted from special provisions of the Internal Revenue Code applicable to life insurance operations. Additionally, some taxes included in total income tax were not imposed directly on a corporation's income subject to tax, such as the recapture

<sup>23</sup> Shown in Appendix A of this article are Tax Year 2006 data for all REITs, RICs, and S corporations, regardless of size, filed by foreign-controlled domestic corporations (FCDCs) and by other domestic corporations (ODCs).

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taxes. Thus, a small number of corporations without net income and income tax may have reported such taxes on their income tax returns. These taxes were included in the statistics for total income tax. Also included in total income tax were personal holding company taxes and the taxes on undistributed net capital gains of regulated investment companies. Total income tax included an adjustment that could be either positive or negative. This adjustment was used for write-in amounts on the tax computation schedule (e.g., Schedule J of Form 1120), as well as for differences in total tax reported on the tax computation schedule and reported on the tax and payments section of the tax return (e.g., Page 1 of Form 1120). For 2006, the credits used to reduce the total income tax of FCDCs primarily included the foreign tax credit (77.4 percent of the \$10.4 billion of total credits), the general business credit (13.7 percent), and the prior-year minimum tax credit (8.7 percent), as well as small amounts of the U.S. possessions tax credit and the qualified zone academy bond credit.

**Total receipts**—This item includes all of the income actually (as opposed to constructively) received by a corporation and reported on its income tax return. It includes gross taxable receipts, before the deduction of cost of goods sold and ordinary and necessary business expenses. It also includes tax-exempt interest received on State and local government obligations. A domestic corporation (i.e., one incorporated in the United States), whether controlled by a foreign person or not, could have business activities in a foreign country, as well as in the United States. Thus, total receipts may include those from foreign branch operations of the U.S. company. Also, the total receipts of a domestic corporation conducting business abroad through foreign subsidiaries may include dividends remitted from those subsidiaries. However, total receipts exclude certain taxable income from related foreign corporations that is only constructively received by the domestic corporation. Long-term capital gains of regulated investment companies, as well as both short-term and long-term capital gains of S corporations, are also excluded.

**Total receipts less total deductions**—This item differs from the “net income (less deficit)” shown in the statistics in that it includes nontaxable interest received on State and local government obligations, and excludes constructive taxable income from related foreign corporations.

## Data Sources and Limitations

### Time Period Covered

Data for Tax Year 2006 are based on returns with accounting periods that ended between July 2006 and June 2007. These accounting periods were 12 months in length, or less for part-year accounting periods. As a result of the 12-month span for ending accounting periods, the statistics shown in this article include accounting periods that began and ended within a 23-month span. For Tax Year 2006, that span was from August 2005 through June 2007. Nevertheless, most of the income and expense data are, in fact, associated with Calendar Year 2006. Of the 63,951 FCDC returns filed for Tax Year 2006, 42,527 had accounting periods that ended in December 2006, 66 percent of the total. These returns accounted for 77 percent of both the receipts and deductions reported by all FCDCs, as well as 86 percent of the FCDC assets.

The sampling frame for the 2006 statistics consisted, in general, of tax returns with accounting periods that ended between July 2006 and June 2007, and that posted to the IRS Business Master File between July 2006 and June 2008. A 24-month sampling period was needed for several reasons. First, some corporations had noncalendar year accounting periods ending as late as June 2007. Second, while corporation returns must be filed within 2 1/2 months after the close of the accounting period, many corporations requested and received filing extensions of 6 months. Third, normal administrative processing time lags required that the sampling process remained open until June 2008.

### Returns Covered

The number of returns shown in this article represents returns of “active” corporations, i.e., those that reported any income or deduction items. While any corporation in existence during any portion of the taxable year was required to file an income tax return (even though it may have been inactive, not having any income or deductions), the great majority of returns filed with the Internal Revenue Service were for active corporations. Nonprofit corporations, exempt farmers’ cooperatives, and certain other incorporated organizations did not file corporation income tax returns and are not included in the statistics shown in this article. Part-year returns, those filed



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for accounting periods of less than 12 months, were included in the number of returns and other data shown in this article. Continuing corporations changing their accounting periods, new corporations in existence less than 12 months, merging corporations, and liquidating corporations filed such returns. To avoid double counting, data from the balance sheets of part-year returns were not included in the statistics, except for those from initial returns of newly incorporated businesses.

## Sample

This article presents statistical estimates based on a stratified sample of over 8,200 unaudited tax returns selected from nearly 64,000 returns of active domestic corporations controlled by a foreign person filed for Tax Year 2006. The statistics for FCDCs are based on samples of corporation income tax returns filed primarily on Form 1120 (*U.S. Corporation Income Tax Return*). In addition, the statistics for all FCDCs include data from the small numbers of other domestic corporation income tax returns filed on Forms 1120L (*U.S. Life Insurance Company Income Tax Return*), 1120-RIC (*U.S. Income Tax Return for Regulated Investment Companies*), 1120-REIT (*U.S. Income Tax Return for Real Estate Investment Trusts*), and 1120-PC (*U.S. Property and Casualty Insurance Company Income Tax Return*). For Tax Year 2006, FCDCs filed only 41 Forms 1120L, 274 Forms 1120-RIC, 91 Forms 1120-REIT, and 40 Forms 1120-PC.<sup>24</sup> FCDCs could not file Forms 1120-A, 1120-F, and 1120S. The statistics for the largest FCDCs shown in Figures F through H, and in Table 4, exclude Forms 1120-RIC and 1120-REIT.

Form 1120 sampled returns were stratified based on the size of total assets and the size of “proceeds” (which was used as a measure of income and was the larger of the absolute value of net income or deficit or the absolute value of “cash flow,” i.e., net income plus depreciation plus depletion). Forms 1120L, 1120-RIC, 1120-REIT, and 1120-PC were sampled based solely on the size of total assets.

For 2006, the sampling rates for Forms 1120 alone (the majority of returns included in the sample) ranged from less than 1 percent to 100 percent. In

general, Form 1120 returns with assets of \$50 million or more, or with “proceeds” of \$10 million or more, were selected for the Statistics of Income study at the 100-percent sampling rate. Thus, most if not all of the “largest” FCDCs (and other domestic corporations as well) were selected at the 100-percent rate. Therefore, sampling error is not considered to be a major concern for the large-corporation data shown in this article. For additional information on the sampling rates, see *Statistics of Income--2006, Corporation Income Tax Returns*.

Because the data presented are estimates based on samples, they are subject to sampling error. To properly use these data, the magnitude of the sampling error should be known. Coefficients of variation (CVs) are used to measure that magnitude. Figure I shows CVs for selected financial data of selected industrial sectors and selected countries of the foreign owners. For a general discussion of sampling procedures, see SOI Sampling Methodology and Data Limitations located near the back of this issue of the *Statistics of Income Bulletin*.

## Nonsampling Limitations

Nonsampling errors can be categorized as coverage errors, nonresponse errors, processing errors, or response errors. These errors can be the result of the inability to obtain information about all returns in the sample, differing interpretations of tax concepts or instructions by the taxpayer, inability of a corporation to provide accurate information at the time of filing (data are collected before auditing), inability to obtain all tax schedules and attachments, errors in recording or coding the data, errors in collecting or cleaning the data, errors made in estimating for missing data, and failure to represent all population units.

Returns were selected for this study based on taxpayers’ responses to two questions that appeared on the various types of Form 1120. The first question asked whether one “foreign person” owned, directly or indirectly, 25 percent or more of the filing corporation’s voting stock or of the total value of all the corporation’s stock, at any time during the tax year. If this question was answered “Yes,” then

<sup>24</sup> The counts of 41 Forms 1120L and 40 Forms 1120-PC do not include returns of life insurance companies and property/casualty insurance companies, respectively, that were filed as part of consolidated returns under IRC section 1504(c). Under this section, a nonlife insurance parent company could include a domestic life insurance subsidiary in a consolidated return. For 2006, there were 125 section 1504(c) returns of foreign-controlled domestic corporations. Of this number, 58 returns had a property/casualty insurance company as the largest subsidiary, another 58 returns had a noninsurance company as the largest subsidiary, and 9 returns had a life insurance company as the largest subsidiary.

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**Figure I**

## Foreign-Controlled Domestic Corporations: Coefficients of Variation for Selected Items, by Selected Industrial Sector and Selected Country of Foreign Owner, Tax Year 2006

Selected industrial sector or country	Coefficients of variation (percentages)						
	Number of returns	Total assets	Total receipts	Net income	Deficit	Income subject to tax	Total income tax after credits
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total</b>	<b>4.14</b>	<b>0.03</b>	<b>0.15</b>	<b>0.14</b>	<b>0.66</b>	<b>0.15</b>	<b>0.17</b>
<b>Selected industrial sector:</b>							
Construction	27.25	0.94	1.72	2.59	5.03	2.08	1.98
Finance and insurance	13.11	0.01	0.17	0.21	1.47	0.35	0.37
Information	20.59	0.13	0.98	0.63	2.74	0.74	0.72
Management of companies (holding companies)	21.06	0.05	0.12	0.36	5.04	0.31	0.33
Manufacturing	9.74	0.05	0.12	0.15	0.89	0.16	0.19
Professional, scientific, and technical services	14.80	0.55	1.57	1.86	4.03	2.13	2.24
Real estate and rental and leasing	9.03	0.89	1.43	1.77	4.12	1.80	1.76
Retail trade	20.79	0.45	0.48	1.01	7.93	1.05	1.02
Wholesale trade	8.00	0.28	0.48	0.50	2.64	0.53	0.54
<b>Selected country of foreign owner:</b>							
Bermuda	20.27	0.11	0.39	0.55	1.93	0.50	0.68
Canada	11.47	0.10	0.70	0.62	2.65	0.88	0.83
France	19.66	0.05	0.30	0.41	0.88	0.49	0.51
Germany	15.25	0.06	0.30	0.52	1.39	0.71	0.86
Japan	11.31	0.14	0.44	0.41	1.41	0.41	0.42
Netherlands	21.68	0.05	0.29	0.35	2.04	0.41	0.81
South Korea, Republic of	27.06	1.42	1.46	2.81	10.68	4.04	3.94
Sweden	48.14	0.45	0.76	1.54	13.93	1.68	1.66
Switzerland	20.21	0.04	0.67	0.37	2.49	0.40	0.41
United Kingdom	14.53	0.03	0.17	0.15	2.45	0.14	0.16
Venezuela	35.85	0.93	0.75	0.38	48.13	0.37	0.24

a second question asked for the percentage owned.<sup>25</sup> If the first question was answered “Yes,” and the second question was answered with a percentage between 50 and 100, then the return was included in the FCDC statistics. Taxpayers sometimes incorrectly answered these questions or did not answer them at all.<sup>26</sup> However, prior to tabulation, corporations with large amounts of assets or receipts, and with changes in foreign ownership status between 2005 and 2006, were researched, and the answers to the questions were verified. These large corporations had a dominating effect on the estimates for balance sheet, income statement, and tax items.

Each return used for the statistics had an industry code reported, or was assigned one during administrative or statistical processing. The North American Industry Classification System (NAICS) was used as a classifier of the returns. The industry code represented the principal business activity (i.e., the activity which accounted for the largest portion of the total receipts) of the corporation filing the return. However, a given return may summarize the activity of a company engaged in several businesses or may have been a consolidated return filed for an affiliated group of corporations that conducted different business activities. To the extent that some consolidated

<sup>25</sup> On Form 1120, Page 3, Schedule K, the actual questions were: “(7) At any time during the tax year, did one foreign person own, directly or indirectly, at least 25 percent of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation?” and “(7a) If ‘Yes,’ enter percentage owned.” There was an additional question used for the country distribution of these statistics, which was: “(7b) If ‘Yes,’ enter owner’s country.”

<sup>26</sup> The FCDC statistics include data from returns in which the first question (see footnote 25) was answered “Yes,” and the second question covering percentage owned was not answered. There were 2,316 returns for Tax Year 2006 that were included in the FCDC data, although the exact foreign ownership percentage was not specified. These returns reported \$24.2 billion of assets and \$40.4 billion of receipts.

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(and nonconsolidated) returns covered corporations that were engaged in many types of business activities, the data in this article are not entirely related to the industrial activity under which they are shown.

There is an additional limitation related to data presented by industrial classification. Companies that sell similar products may not be classified in the same industry. For instance, those FCDCs that were primarily U.S. distributors of products made in foreign countries by their parent or other related companies were classified as wholesalers. However, other domestic corporations that were also distributors may have been included in consolidated returns covering both the manufacture and distribution of similar products and classified as manufacturers.

Each return was assigned a foreign country code during statistical processing that identified the owner's country. For individuals, it was the owner's country of residence. For all others, it was the country in which the foreign entity was incorporated, organized, created, or administered. To the extent that a holding company or other affiliated entity was part of a chain between a U.S. subsidiary company and the ultimate foreign parent, the country data may be related to the holding company and, thus, not be related to the foreign country of the ultimate parent.

## Appendix A

### REITs, RICs, and S Corporations Filed by Foreign-Controlled Domestic Corporations (FCDCs) and Other Domestic Corporations (ODCs), Tax Year 2006

[Money amounts are in millions of dollars]

Type of corporation and item	FCDCs	ODCs
<b>Real estate investment trusts (REITs):</b>		
Number of returns	91	1,318
Total assets	50,908	1,449,019
Total receipts	2,984	140,462
Net income (less deficit)	1,837	85,904
Income subject to tax	0	63
Total income tax after credits	0	61
<b>Regulated investment companies (RICs):</b>		
Number of returns	274	11,203
Total assets	245,009	11,978,848
Total receipts	6,621	402,693
Net income (less deficit)	5,102	296,727
Income subject to tax	0	4
Total income tax after credits	0	61
<b>S corporations:</b>		
Number of returns	0	3,872,766
Total assets	0	3,048,770
Total receipts	0	5,815,389
Total net income (less deficit)	0	386,202
Income subject to tax	0	1,603
Total income tax after credits	0	639



# Foreign-Controlled Domestic Corporations, 2006

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**Table 1. Foreign-Controlled Domestic Corporations as a Percentage of All Corporations: Selected Items for Selected Tax Years 1971-2006**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Item	1971	1990	1997	2000	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>ALL CORPORATIONS</b>								
Number of returns, total	1,733,332	3,716,650	4,710,083	5,045,274	5,401,237	5,557,965	5,671,257	5,840,799
Number with net income	1,063,940	1,910,670	2,647,474	2,819,153	2,932,115	3,116,468	3,324,260	3,367,313
Total assets	2,889,221	18,190,058	33,029,652	47,026,872	53,644,785	60,117,759	66,445,430	73,080,647
Total receipts	1,906,008	11,409,520	16,609,707	20,605,808	20,689,574	22,711,864	25,504,789	27,401,874
Business receipts	1,763,760	9,860,442	14,460,929	17,636,551	18,264,394	19,975,876	21,800,290	23,310,310
Interest received [1]	65,596	942,238	1,140,011	1,576,101	1,132,675	1,337,626	1,712,271	2,242,464
Total deductions	1,824,063	11,032,575	15,704,242	19,691,592	19,940,595	21,636,156	23,612,766	25,501,558
Cost of goods sold	1,241,282	6,610,770	9,114,246	11,135,288	11,318,645	12,497,905	13,816,464	14,799,599
Interest paid	64,697	825,372	866,474	1,271,679	818,017	938,790	1,287,098	1,787,104
Total receipts less total deductions	81,945	376,945	905,465	914,216	748,980	1,075,708	1,892,024	1,900,316
Net income (less deficit)	79,700	370,633	915,397	927,526	779,989	1,111,693	1,948,655	1,933,374
Net income	96,688	552,527	1,117,825	1,336,620	1,175,609	1,455,797	2,234,882	2,239,614
Deficit	-16,988	-181,894	-202,428	-409,094	-395,620	-344,104	-286,227	-306,240
Income subject to tax	83,165	366,353	683,793	760,404	699,337	857,392	1,201,325	1,291,431
Total income tax before credits	37,510	128,186	239,394	266,282	243,823	299,555	419,209	453,082
Income tax	37,143	119,434	235,325	262,233	241,275	296,200	416,324	450,168
Total income tax after credits	30,220	96,403	184,153	204,044	177,517	224,435	312,086	353,084
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>								
Number of returns, total	5,154	44,113	61,621	60,609	58,945	57,935	61,820	63,951
Number with net income	2,575	17,360	29,504	26,519	27,269	29,233	30,870	30,318
Total assets	36,674	1,652,255	3,392,051	6,071,994	6,170,122	7,971,399	9,218,983	9,743,225
Total receipts	39,181	1,060,295	1,781,382	2,612,072	2,569,302	3,056,503	3,505,629	3,839,754
Business receipts	38,043	950,083	1,582,576	2,253,215	2,329,930	2,733,472	3,058,260	3,323,274
Interest received [1]	420	67,315	114,610	180,006	102,179	154,954	235,304	304,577
Total deductions	38,050	1,056,921	1,730,418	2,549,986	2,542,193	2,969,718	3,345,178	3,671,102
Cost of goods sold	28,804	709,052	1,119,276	1,584,513	1,652,622	1,964,224	2,239,966	2,425,660
Interest paid	733	77,562	112,219	186,835	109,453	129,530	199,877	286,668
Total receipts less total deductions	1,132	3,374	50,964	62,085	27,109	86,785	160,450	168,652
Net income (less deficit)	1,111	3,966	52,365	66,312	31,952	90,846	165,188	172,560
Net income	1,496	29,410	79,352	118,598	92,846	138,010	201,597	214,812
Deficit	-384	-25,444	-26,987	-52,287	-60,895	-47,165	-36,409	-42,252
Income subject to tax	1,344	23,704	61,798	97,515	73,521	104,740	153,007	171,251
Total income tax before credits	650	8,719	22,492	34,650	25,971	37,058	53,820	60,313
Income tax	631	8,008	21,589	33,950	25,607	36,451	53,137	59,693
Total income tax after credits	610	7,438	19,730	28,073	19,121	29,932	42,415	49,953
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS AS A PERCENTAGE OF ALL CORPORATIONS</b>								
Number of returns, total	0.30	1.19	1.31	1.20	1.09	1.04	1.09	1.09
Number with net income	0.24	0.91	1.11	0.94	0.93	0.94	0.93	0.90
Total assets	1.27	9.08	10.27	12.91	11.50	13.26	13.87	13.33
Total receipts	2.06	9.29	10.72	12.68	12.42	13.46	13.74	14.01
Business receipts	2.16	9.64	10.94	12.78	12.76	13.68	14.03	14.26
Interest received [1]	0.64	7.14	10.05	11.42	9.02	11.58	13.74	13.58
Total deductions	2.09	9.58	11.02	12.95	12.75	13.73	14.17	14.40
Cost of goods sold	2.32	10.73	12.28	14.23	14.60	15.72	16.21	16.39
Interest paid	1.13	9.40	12.95	14.69	13.38	13.80	15.53	16.04
Total receipts less total deductions	1.38	0.90	5.63	6.79	3.62	8.07	8.48	8.87
Net income (less deficit)	1.39	1.07	5.72	7.15	4.10	8.17	8.48	8.93
Net income	1.55	5.32	7.10	8.87	7.90	9.48	9.02	9.59
Deficit	2.26	13.99	13.33	12.78	15.39	13.71	12.72	13.80
Income subject to tax	1.62	6.47	9.04	12.82	10.51	12.22	12.74	13.26
Total income tax before credits	1.73	6.80	9.40	13.01	10.65	12.37	12.84	13.31
Income tax	1.70	6.70	9.17	12.95	10.61	12.31	12.76	13.26
Total income tax after credits	2.02	7.72	10.71	13.76	10.77	13.34	13.59	14.15

[1] Excludes nontaxable interest received on State and local government obligations.

NOTES: Detail may not add to totals because of rounding. All amounts are in current dollars. Tax law and tax form changes affect the year-to-year comparability of the data. See *Statistics of Income — Corporation Income Tax Returns*, selected years, for discussions of changes affecting the comparability of the data over time.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Major industry	Number of returns			Total assets	Net worth	Total receipts	Business receipts	Total deductions
	Total	With net income	With total income tax after credits					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All industries [1]</b>	<b>63,951</b>	<b>30,318</b>	<b>22,591</b>	<b>9,743,225</b>	<b>2,035,800</b>	<b>3,839,754</b>	<b>3,323,274</b>	<b>3,671,102</b>
Agriculture, forestry, fishing, and hunting	719	463	180	4,699	2,132	2,650	2,103	2,470
Agricultural production	618	422	140	3,802	1,963	2,201	1,889	2,075
Forestry and logging	*38	*37	*37	*436	*205	*216	*137	*180
Support activities and fishing, hunting, and trapping	*62	*3	d	*461	*-36	*233	*76	*215
Mining	751	378	177	126,846	64,574	66,430	60,994	55,704
Utilities	63	42	42	84,237	26,537	34,841	32,807	33,987
Construction	2,171	1,075	873	45,928	12,862	48,298	46,410	46,736
Construction of buildings	464	402	373	20,636	6,484	30,220	29,232	29,266
Heavy and civil engineering construction	1,094	121	94	20,609	5,202	12,071	11,262	11,684
Specialty trade contractors	613	551	407	4,682	1,176	6,007	5,915	5,786
Manufacturing	6,701	3,819	3,098	2,260,118	597,904	1,777,561	1,681,237	1,705,105
Food manufacturing	500	139	129	59,467	13,621	53,699	52,153	51,892
Beverage and tobacco product manufacturing	304	28	27	29,533	4,861	21,965	20,793	20,539
Textile mills and textile product mills	176	84	80	5,814	2,938	6,547	6,418	6,577
Apparel manufacturing	35	22	22	1,256	689	1,793	1,746	1,702
Leather and allied product manufacturing	d	d	d	d	d	d	d	d
Wood product manufacturing	142	109	109	6,301	1,122	7,882	7,736	7,895
Paper manufacturing	125	74	67	20,208	7,621	22,954	22,221	22,619
Printing and related support activities	103	31	31	6,119	1,020	7,003	6,798	6,980
Petroleum and coal products manufacturing	103	22	21	762,728	116,283	606,362	585,311	575,707
Chemical manufacturing	455	296	282	301,882	112,678	225,072	207,850	207,629
Plastics and rubber products manufacturing	601	244	143	42,826	9,491	55,063	53,099	54,097
Nonmetallic mineral product manufacturing	173	141	135	104,293	37,980	61,462	58,812	57,037
Primary metal manufacturing	147	97	92	52,114	19,560	68,586	67,089	63,652
Fabricated metal product manufacturing	528	310	238	39,384	14,138	38,644	37,462	38,007
Machinery manufacturing	805	591	582	137,859	45,036	108,254	101,680	105,354
Computer and electronic product manufacturing	1,173	881	510	148,821	64,202	95,940	91,080	95,121
Electrical equipment, appliance, and component manufacturing	254	94	75	38,057	16,530	31,052	30,075	30,613
Transportation equipment manufacturing	547	367	284	457,991	113,908	324,818	292,541	320,455
Furniture and related product manufacturing	56	12	11	2,137	-117	3,965	3,946	3,973
Miscellaneous manufacturing	d	d	d	d	d	d	d	d
Wholesale and retail trade	20,308	10,079	7,385	567,453	170,288	1,005,722	976,514	977,629
Wholesale trade	17,438	8,732	6,503	461,074	136,464	803,165	777,785	780,092
Wholesale trade, durable goods	11,994	6,614	4,744	338,220	92,212	587,148	572,204	574,582
Wholesale trade, nondurable goods	5,116	2,113	1,754	122,314	44,233	215,928	205,517	205,413
Wholesale electronic markets and agents and brokers	*328	*5	*5	*541	*18	*89	*64	*98
Retail trade	2,871	1,346	882	106,379	33,825	202,557	198,729	197,537
Motor vehicle dealers and parts dealers	60	37	22	2,983	666	7,500	7,237	7,410
Furniture and home furnishings stores	132	13	13	4,720	601	5,081	4,988	4,970
Electronics and appliance stores	387	296	153	2,129	392	3,848	3,727	3,558
Building material and garden equipment and supplies dealers	48	32	32	634	285	1,186	1,160	1,153
Food, beverage and liquor stores	41	13	13	53,917	17,946	124,280	123,010	121,753
Health and personal care stores	73	35	34	8,741	3,194	15,447	15,237	15,183
Gasoline stations	*244	*240	*4	*3,248	*861	*10,655	*10,538	*10,501
Clothing and clothing accessories stores	395	195	177	14,586	7,451	15,018	14,068	14,133
Sporting goods, hobby, book, and music stores	633	69	69	886	398	1,322	1,295	1,304
General merchandise stores	*30	*0	*0	*57	*25	*182	*178	*203
Miscellaneous store retailers	147	53	42	6,655	-1,309	8,305	8,039	8,207
Nonstore retailers	681	363	321	7,823	3,316	9,733	9,250	9,161

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Major industry	Number of returns			Total assets	Net worth	Total receipts	Business receipts	Total deductions
	Total	With net income	With total income tax after credits					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Transportation and warehousing	2,263	1,424	1,263	59,335	19,045	55,632	53,644	55,794
Air, rail, and water transportation	155	115	52	17,829	3,750	12,096	11,516	11,737
Truck transportation	615	302	302	2,142	410	3,698	3,654	3,753
Transit and ground passenger transportation	*3	*0	*0	*2,373	*1,540	*1,968	*1,952	*2,006
Pipeline transportation	*13	*12	*12	*2,422	*1,285	*2,375	*2,305	*2,336
Other transportation and support activities	1,146	682	595	26,651	7,534	32,490	31,585	33,302
Warehousing and storage	332	313	303	7,919	4,525	3,005	2,632	2,660
Information	2,145	900	592	373,761	202,865	98,465	83,102	93,049
Publishing industries	769	402	187	76,603	13,839	37,741	32,748	37,042
Motion picture and sound recording industries	603	115	107	49,444	19,240	11,894	8,526	11,438
Broadcasting (except Internet)	54	39	7	3,561	2,024	912	813	1,073
Internet publishing and broadcasting	*15	d	d	*15,052	*3,416	*8,927	*8,423	*8,422
Telecommunications	462	170	132	210,577	158,153	31,594	26,048	27,839
Internet service providers, Web search portals, and data processing services	188	135	124	7,233	1,644	2,125	1,836	2,170
Other information services	53	d	d	11,290	4,548	5,274	4,708	5,065
Finance and insurance	2,950	1,685	1,203	4,677,234	693,609	446,808	203,554	418,506
Credit intermediation	376	246	225	299,192	22,106	22,254	9,124	21,227
Depository credit intermediation	51	48	47	104,236	7,531	5,655	601	5,050
Nondepository credit intermediation	325	198	178	194,956	14,575	16,599	8,523	16,177
Securities, commodity contracts, and other financial investments and related activities	1,499	653	518	2,781,476	129,794	198,327	40,410	187,047
Insurance carriers and related activities	317	258	244	1,251,330	268,416	213,863	154,017	205,505
Funds, trusts, and other financial vehicles	758	528	215	345,236	273,293	12,364	3	4,727
Real estate and rental and leasing	11,906	4,502	3,453	113,134	35,759	30,573	19,745	25,723
Real estate	11,719	4,381	3,334	79,984	30,739	14,791	6,401	11,035
Rental and leasing services	181	115	114	33,027	4,938	15,734	13,338	14,670
Lessors of nonfinancial intangible assets (except copyrighted works)	*6	*6	*5	*124	*82	*48	*6	*18
Professional, scientific, and technical services	6,274	3,025	2,012	119,047	44,492	72,989	67,440	71,573
Management of companies (holding companies)	3,233	1,262	941	1,160,438	116,470	110,029	16,323	93,727
Administrative and support and waste management and remediation services	1,874	702	662	44,258	12,097	37,861	35,829	42,184
Administrative and support services	1,862	697	656	37,396	9,568	33,770	31,921	33,675
Waste management and remediation services	*13	*6	*6	*6,862	*2,529	*4,092	*3,909	*8,510
Educational services	7	5	4	3,942	695	1,379	1,270	1,334
Health care and social assistance	341	277	277	19,045	8,954	12,080	11,027	10,958
Offices of health practitioners and outpatient care centers	*262	*262	*262	*14,619	*7,509	*7,799	*7,333	*7,015
Miscellaneous health care and social assistance	72	11	11	2,200	705	1,677	1,594	1,625
Hospitals, nursing, and residential care facilities	7	5	5	2,226	739	2,605	2,099	2,319
Arts, entertainment, and recreation	491	169	71	12,641	2,445	4,400	3,388	4,193
Amusement, gambling, and recreation industries	88	55	37	9,593	1,779	1,867	1,492	1,862
Other arts, entertainment, and recreation	403	114	34	3,047	666	2,533	1,896	2,331
Accommodation and food services	949	409	273	65,876	23,478	29,159	23,326	27,886
Accommodation	276	199	157	50,074	21,627	9,308	5,015	8,475
Food services and drinking places	673	209	117	15,802	1,851	19,851	18,311	19,412
Other services	806	103	86	5,232	1,594	4,876	4,563	4,543
Repair and maintenance	332	87	70	2,473	988	3,255	3,088	3,154
Personal and laundry services	474	16	16	2,759	606	1,621	1,475	1,389

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Major industry	Cost of goods sold	Total receipts less total deductions	Net income (less deficit)	Net income	Deficit	Income subject to tax	Total income tax	
							Before credits	After credits
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All industries [1]</b>	<b>2,425,660</b>	<b>168,652</b>	<b>172,560</b>	<b>214,812</b>	<b>-42,252</b>	<b>171,251</b>	<b>60,313</b>	<b>49,953</b>
Agriculture, forestry, fishing, and hunting	1,342	180	189	324	-135	159	54	49
Agricultural production	1,183	126	125	245	-120	121	41	36
Forestry and logging	*109	*36	*36	*38	*-1	*35	*12	*12
Support activities and fishing, hunting, and trapping	*51	*18	*27	*41	*-14	*3	*1	d
Mining	30,002	10,726	10,910	12,871	-1,961	9,951	3,643	1,834
Utilities	21,449	854	889	1,086	-197	877	315	222
Construction	38,611	1,563	1,570	2,156	-586	1,911	667	656
Construction of buildings	26,174	954	962	1,064	-103	1,024	358	353
Heavy and civil engineering construction	8,466	387	388	765	-377	639	226	220
Specialty trade contractors	3,972	221	220	326	-106	248	84	84
Manufacturing	1,321,660	72,456	75,074	88,056	-12,982	78,076	27,442	21,504
Food manufacturing	32,122	1,808	1,825	2,234	-408	1,595	572	542
Beverage and tobacco product manufacturing	10,807	1,425	1,444	1,534	-90	1,271	444	410
Textile mills and textile product mills	5,033	-30	-32	222	-254	185	64	62
Apparel manufacturing	1,123	91	97	114	-18	91	33	32
Leather and allied product manufacturing	d	d	d	d	d	d	d	d
Wood product manufacturing	6,320	-14	-13	146	-159	98	34	32
Paper manufacturing	17,681	335	378	863	-485	416	148	94
Printing and related support activities	5,160	23	23	89	-66	45	16	16
Petroleum and coal products manufacturing	529,960	30,655	31,825	31,884	-59	31,580	11,054	7,744
Chemical manufacturing	122,165	17,442	18,116	19,241	-1,124	17,562	6,174	5,011
Plastics and rubber products manufacturing	39,485	966	1,009	1,459	-450	762	279	219
Nonmetallic mineral product manufacturing	37,733	4,425	4,483	4,809	-326	4,585	1,604	1,517
Primary metal manufacturing	54,458	4,934	4,940	5,240	-300	4,858	1,707	1,145
Fabricated metal product manufacturing	28,223	637	687	1,922	-1,235	1,493	522	502
Machinery manufacturing	76,341	2,900	3,102	3,817	-715	2,412	853	659
Computer and electronic product manufacturing	68,535	818	996	3,084	-2,088	1,483	545	477
Electrical equipment, appliance, and component manufacturing	21,544	439	496	1,441	-945	1,052	373	273
Transportation equipment manufacturing	239,249	4,362	4,382	7,861	-3,479	6,867	2,414	2,259
Furniture and related product manufacturing	2,816	-8	-8	54	-62	44	15	14
Miscellaneous manufacturing	d	d	d	d	d	d	d	d
Wholesale and retail trade	788,435	28,093	28,330	34,260	-5,930	29,264	10,245	9,665
Wholesale trade	646,255	23,072	23,324	28,369	-5,044	24,425	8,545	8,009
Wholesale trade, durable goods	479,583	12,567	12,715	16,398	-3,683	13,687	4,781	4,472
Wholesale trade, nondurable goods	166,673	10,515	10,618	11,966	-1,348	10,735	3,763	3,536
Wholesale electronic markets and agents and brokers	*0	*-9	*-9	*4	*-13	*4	*1	*1
Retail trade	142,179	5,021	5,006	5,892	-886	4,839	1,700	1,656
Motor vehicle dealers and parts dealers	6,324	90	90	146	-57	114	39	38
Furniture and home furnishings stores	2,890	110	108	172	-64	168	58	58
Electronics and appliance stores	2,323	290	290	308	-18	116	41	38
Building material and garden equipment and supplies dealers	915	33	35	46	-11	45	15	14
Food, beverage and liquor stores	91,365	2,527	2,527	2,673	-147	2,509	882	868
Health and personal care stores	9,563	264	264	393	-129	386	135	128
Gasoline stations	*9,039	*153	*153	*157	*-5	*148	*52	*47
Clothing and clothing accessories stores	6,794	885	885	1,063	-178	565	204	199
Sporting goods, hobby, book, and music stores	936	18	18	53	-35	33	11	11
General merchandise stores	*136	*-22	*-22	*0	*-22	*0	*0	*0
Miscellaneous store retailers	5,290	99	98	233	-134	134	47	44
Nonstore retailers	6,604	572	559	647	-88	621	216	210

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 2. Foreign-Controlled Domestic Corporations: Selected Items, by Major Industry, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Major industry	Cost of goods sold	Total receipts less total deductions	Net income (less deficit)	Net income	Deficit	Income subject to tax	Total income tax	
							Before credits	After credits
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Transportation and warehousing	23,802	-162	-144	2,064	-2,208	1,553	548	507
Air, rail, and water transportation	4,880	358	371	622	-251	537	198	175
Truck transportation	1,822	-54	-54	41	-95	11	3	3
Transit and ground passenger transportation	*1,011	*-38	*-38	*0	*-38	*0	*0	*0
Pipeline transportation	*2,130	*40	*40	*66	*-27	*65	*22	*22
Other transportation and support activities	13,441	-813	-807	959	-1,766	765	264	246
Warehousing and storage	518	344	345	376	-31	175	61	60
Information	31,086	5,416	5,557	8,514	-2,957	4,604	1,620	1,522
Publishing industries	13,311	699	731	2,123	-1,392	710	251	203
Motion picture and sound recording industries	3,975	456	541	836	-295	82	28	26
Broadcasting (except Internet)	301	-162	-177	39	-215	23	8	6
Internet publishing and broadcasting	*2,469	*505	*505	d	d	d	d	d
Telecommunications	9,645	3,755	3,764	4,453	-690	2,898	1,041	1,028
Internet service providers, Web search portals, and data processing services	716	-45	-45	182	-228	132	45	44
Other information services	669	208	239	d	d	d	d	d
Finance and insurance	104,647	28,302	28,515	32,225	-3,711	15,980	5,675	4,976
Credit intermediation	162	1,027	839	1,417	-578	1,271	450	426
Depository credit intermediation	0	605	596	602	-6	562	197	195
Nondepository credit intermediation	162	422	243	816	-572	710	254	231
Securities, commodity contracts, and other financial investments and related activities	380	11,280	11,490	11,764	-274	7,477	2,657	2,422
Insurance carriers and related activities	104,106	8,358	8,546	11,084	-2,537	6,461	2,297	1,956
Funds, trusts, and other financial vehicles	0	7,637	7,639	7,960	-321	771	271	171
Real estate and rental and leasing	4,621	4,850	4,622	6,369	-1,748	5,062	1,774	1,757
Real estate	891	3,755	3,733	5,021	-1,288	4,028	1,403	1,390
Rental and leasing services	3,723	1,064	859	1,319	-459	1,012	363	359
Lessors of nonfinancial intangible assets (except copyrighted works)	*7	*30	*30	*30	*0	*22	*8	*8
Professional, scientific, and technical services	23,514	1,416	1,464	4,434	-2,970	3,192	1,110	969
Management of companies (holding companies)	1,076	16,302	16,557	17,577	-1,019	16,762	5,871	5,132
Administrative and support and waste management and remediation services	16,958	-4,323	-4,309	780	-5,088	554	191	168
Administrative and support services	16,304	95	109	771	-663	551	190	167
Waste management and remediation services	*654	*-4,418	*-4,417	*8	*-4,426	*3	*1	*1
Educational services	466	46	48	68	-19	44	15	6
Health care and social assistance	5,011	1,122	1,120	1,186	-66	949	333	328
Offices of health practitioners and outpatient care centers	*4,404	*784	*783	*783	*0	*604	*211	*210
Miscellaneous health care and social assistance	586	52	51	98	-47	50	18	18
Hospitals, nursing, and residential care facilities	21	286	286	305	-19	294	103	101
Arts, entertainment, and recreation	1,104	207	213	390	-177	226	80	75
Amusement, gambling, and recreation industries	457	5	7	127	-120	100	35	31
Other arts, entertainment, and recreation	647	203	206	263	-56	126	45	43
Accommodation and food services	9,950	1,272	1,594	2,011	-417	1,681	589	468
Accommodation	615	833	1,151	1,245	-94	990	348	253
Food services and drinking places	9,335	439	443	766	-323	692	241	215
Other services	1,926	333	360	441	-81	405	141	116
Repair and maintenance	1,685	101	107	147	-39	130	45	43
Personal and laundry services	242	232	253	294	-42	275	96	74

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

d—Not shown to avoid disclosure of information about specific corporations. However, data are included in the appropriate totals.

[1] Includes "Not allocable," which is not shown separately.

NOTE: Detail may not add to totals because of rounding.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2006**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Age of corporation and selected country of foreign owner	Number of returns			Total assets	Net worth	Total receipts	Business receipts	Total deductions
	Total	With net income	With total income tax after credits					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All foreign-controlled domestic corporations</b>	<b>63,951</b>	<b>30,318</b>	<b>22,591</b>	<b>9,743,225</b>	<b>2,035,800</b>	<b>3,839,754</b>	<b>3,323,274</b>	<b>3,671,102</b>
<b>AGE OF CORPORATION</b>								
Old corporations:								
Number or amount	46,725	25,139	17,840	9,366,985	1,890,139	3,650,508	3,148,609	3,485,667
Percentage of all corporations	73.06	82.92	78.97	96.14	92.85	95.07	94.74	94.95
New corporations:								
Number or amount	17,226	5,180	4,751	376,240	145,661	189,245	174,665	185,435
Percentage of all corporations	26.94	17.09	21.03	3.86	7.15	4.93	5.26	5.05
<b>SELECTED COUNTRY OF FOREIGN OWNER</b>								
Selected countries, total	56,859	27,157	20,584	9,675,447	2,018,388	3,795,072	3,283,668	3,628,752
Percentage of all countries	88.91	89.57	91.12	99.30	99.14	98.84	98.81	98.85
Selected countries:								
Australia	1,369	774	613	108,403	31,711	42,664	37,942	37,222
Austria	533	195	170	8,485	3,208	11,149	10,878	10,770
Bahamas	553	142	139	6,841	773	2,766	2,251	2,509
Belgium	339	210	169	84,626	13,611	42,401	36,021	40,431
Bermuda	286	136	110	234,118	73,167	68,391	59,981	65,901
Brazil	963	877	577	7,464	1,058	6,611	6,074	6,673
British Virgin Islands [1]	3,480	776	640	25,862	6,810	19,940	18,228	19,692
Canada	10,945	6,105	4,918	950,149	282,023	360,552	315,843	344,666
Cayman Islands	1,790	463	417	103,640	44,492	31,108	26,338	28,657
China	695	225	157	5,204	1,841	7,200	6,962	6,982
China (Taiwan)	1,566	319	229	14,424	4,317	23,896	23,288	23,620
Colombia	1,036	326	326	390	-67	550	512	589
Denmark	489	401	162	12,870	4,425	15,898	15,442	15,273
Finland	71	36	36	18,046	6,734	22,604	21,413	21,917
Former Soviet Union [2]	348	75	48	2,188	450	7,939	7,788	7,915
France	2,064	841	679	928,149	257,584	242,709	190,657	231,803
Germany	4,514	2,045	1,281	1,282,999	244,261	494,461	410,275	482,096
Hong Kong	1,404	605	442	8,334	2,084	12,014	11,559	11,771
India	1,312	568	391	6,333	1,290	9,721	9,584	9,504
Ireland	533	148	129	35,179	5,214	21,599	19,466	20,607
Israel	912	485	340	30,999	5,075	16,432	14,815	15,993
Italy	1,396	754	639	41,220	12,192	26,625	25,103	25,235
Japan	4,488	2,798	2,232	753,445	187,564	618,035	575,808	596,122
Liechtenstein	173	43	12	2,844	1,186	5,202	5,086	5,146
Luxembourg	338	203	126	65,789	27,065	35,016	31,660	33,180
Mexico	1,385	825	514	22,197	8,416	28,256	25,999	24,794
Netherlands	1,667	669	481	883,042	151,293	289,889	235,439	280,447
Netherlands Antilles	334	207	202	12,830	5,690	10,299	9,049	8,631
Norway	291	180	149	14,937	6,971	15,961	15,322	15,764
Panama	775	268	235	14,957	2,015	5,236	4,981	6,154
Puerto Rico	22	17	7	28,614	2,591	2,304	377	2,233
Saudi Arabia	158	37	19	4,985	2,694	10,792	9,732	10,068
Singapore	136	100	68	15,442	6,191	12,836	12,330	12,640
South Africa, Republic of	163	60	32	4,360	785	6,357	6,270	6,449
South Korea, Republic of	1,537	489	462	31,539	5,908	71,734	70,253	70,969
Spain	841	187	182	27,712	9,666	14,051	12,730	13,616
Sweden	527	184	126	50,788	8,589	53,476	50,374	51,797
Switzerland	1,584	980	529	1,294,851	88,102	188,179	143,163	174,964
United Kingdom	4,943	2,739	1,993	2,508,070	496,819	889,017	756,939	838,304
Venezuela	899	665	603	23,122	4,590	51,202	47,736	47,648

Footnotes at end of table.



# Foreign-Controlled Domestic Corporations, 2006

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**Table 3. Foreign-Controlled Domestic Corporations: Selected Items, by Age of Corporation and Selected Country of Foreign Owner, Tax Year 2006—Continued**

[All figures are estimates based on samples—money amounts are in millions of dollars]

Age of corporation and selected country of foreign owner	Cost of goods sold	Total receipts less total deductions	Net income (less deficit)	Net income	Deficit	Income subject to tax	Total income tax	
							Before credits	After credits
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All foreign-controlled domestic corporations</b>	<b>2,425,660</b>	<b>168,652</b>	<b>172,560</b>	<b>214,812</b>	<b>-42,252</b>	<b>171,251</b>	<b>60,313</b>	<b>49,953</b>
<b>AGE OF CORPORATION</b>								
Old corporations:								
Number or amount	2,308,808	164,841	168,187	203,994	-35,806	162,534	57,231	47,312
Percentage of all corporations	95.18	97.74	97.47	94.96	84.74	94.91	94.89	94.71
New corporations:								
Number or amount	116,852	3,810	4,372	10,818	-6,446	8,718	3,082	2,641
Percentage of all corporations	4.82	2.26	2.53	5.04	15.26	5.09	5.11	5.29
<b>SELECTED COUNTRY OF FOREIGN OWNER</b>								
Selected countries, total	2,395,332	166,322	170,224	211,136	-40,907	168,333	59,304	48,980
Percentage of all countries	98.75	98.62	98.65	98.29	96.82	98.30	98.33	98.05
Selected countries:								
Australia	21,991	5,441	5,304	6,491	-1,187	5,568	1,953	596
Austria	8,222	378	378	448	-70	409	145	141
Bahamas	1,100	257	257	359	-103	212	74	50
Belgium	26,083	1,970	2,069	2,245	-175	2,086	733	667
Bermuda	34,644	2,490	2,721	4,690	-1,969	2,968	1,052	741
Brazil	5,342	-61	-62	158	-220	154	52	51
British Virgin Islands [1]	14,086	248	248	1,007	-758	694	241	232
Canada	225,784	15,886	15,913	19,778	-3,864	12,166	4,455	4,180
Cayman Islands	14,500	2,451	2,682	3,902	-1,220	3,186	1,112	888
China	5,676	218	216	344	-128	327	114	65
China (Taiwan)	20,988	276	276	634	-358	361	127	122
Colombia	410	-39	-39	34	-73	32	8	8
Denmark	10,005	625	635	749	-114	542	191	169
Finland	16,467	688	702	861	-159	437	162	140
Former Soviet Union [2]	7,187	24	24	143	-119	139	48	40
France	130,898	10,906	11,150	17,655	-6,506	12,916	4,533	4,154
Germany	288,799	12,365	12,904	17,863	-4,959	11,302	3,997	3,165
Hong Kong	9,643	244	242	368	-126	281	98	89
India	5,686	217	210	376	-166	235	79	79
Ireland	13,312	992	992	1,177	-185	829	294	290
Israel	11,310	439	484	978	-494	805	279	207
Italy	15,108	1,390	1,444	2,010	-566	1,561	547	460
Japan	448,792	21,914	21,977	27,781	-5,804	24,257	8,507	7,879
Liechtenstein	3,913	56	54	100	-46	75	26	25
Luxembourg	19,308	1,836	1,872	2,334	-463	1,837	646	516
Mexico	18,114	3,462	3,456	4,022	-565	2,590	905	401
Netherlands	165,798	9,442	10,620	13,273	-2,653	9,627	3,420	1,626
Netherlands Antilles	3,328	1,669	1,695	1,750	-55	1,668	582	555
Norway	12,340	196	197	576	-378	409	145	137
Panama	4,796	-917	-909	189	-1,098	124	42	42
Puerto Rico	85	71	68	93	-25	88	31	31
Saudi Arabia	9,301	724	723	757	-34	740	263	263
Singapore	8,370	196	192	334	-141	232	82	71
South Africa, Republic of	4,848	-92	-92	120	-212	114	40	39
South Korea, Republic of	63,167	765	763	1,219	-456	749	262	256
Spain	9,222	435	454	1,032	-578	890	312	303
Sweden	38,637	1,678	1,679	1,893	-214	1,537	540	509
Switzerland	72,241	13,215	13,118	14,503	-1,385	11,174	3,935	3,675
United Kingdom	580,073	50,713	52,054	55,295	-3,240	51,452	18,029	14,875
Venezuela	45,758	3,554	3,553	3,595	-41	3,560	1,243	1,243

[1] Includes domestic corporations with owners from Saint Christopher, Nevis, and Anguilla.

[2] Includes domestic corporations with owners from Russia, Armenia, Uzbekistan, Ukraine, Turkmenistan, Tajikistan, Sakhalin Island, Moldova, Kyrgyzstan, Azerbaijan, Kazakhstan, Kurile Islands, Georgia, Belarus, and Estonia.

NOTES: "New" corporations were those with dates of incorporation between 2004 and 2007; "old" corporations were those with dates of incorporation prior to 2004, or with unknown dates of incorporation. Countries shown in this table are those in which one or more of the following were present: (a) at least 500 returns, (b) at least \$10 billion of total assets, or (c) at least \$5 billion of total receipts. Detail may not add to totals because of rounding.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006**

[Money amounts are in millions of dollars]

Control status and industrial sector	Number of returns			Assets			
	Total	With net income	With total income tax after credits	Total	Current	Noncurrent	
						Total	Loans to stockholders
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>3,948</b>	<b>2,988</b>	<b>2,882</b>	<b>9,209,383</b>	<b>4,709,769</b>	<b>4,499,614</b>	<b>43,701</b>
Agriculture, forestry, fishing, and hunting	10	9	9	1,751	613	1,138	0
Mining	85	55	54	119,037	34,312	84,724	12
Utilities	29	21	22	83,036	12,858	70,178	127
Construction	73	50	50	38,790	22,269	16,521	201
Manufacturing	1,479	1,073	1,024	2,219,876	1,078,816	1,141,060	16,057
Wholesale and retail trade	1,231	1,019	986	521,269	284,244	237,025	2,029
Wholesale trade	1,106	919	889	420,901	250,310	170,591	1,528
Retail trade	124	100	97	100,368	33,934	66,433	501
Transportation and warehousing	102	57	59	54,810	11,437	43,373	89
Information	120	82	76	364,721	52,649	312,071	4,473
Finance and insurance	308	252	252	4,356,989	2,383,010	1,973,979	18,533
Real estate and rental and leasing	70	50	49	69,320	20,205	49,114	23
Professional, scientific, and technical services	176	128	120	104,092	30,622	73,470	37
Management of companies (holding companies)	86	66	64	1,138,099	751,648	386,450	726
Administrative and support and waste management and remediation services	93	68	65	40,420	13,593	26,827	143
Educational services	6	4	3	3,881	1,319	2,562	0
Health care and social assistance	17	13	13	18,428	3,567	14,861	0
Arts, entertainment, and recreation	12	7	6	10,711	2,197	8,514	1,075
Accommodation and food services	39	29	25	60,654	5,402	55,252	168
Other services	11	5	5	3,499	1,005	2,494	9
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>15,293</b>	<b>11,972</b>	<b>11,618</b>	<b>44,987,115</b>	<b>17,512,732</b>	<b>27,474,383</b>	<b>389,493</b>
Agriculture, forestry, fishing, and hunting	101	73	73	29,198	9,822	19,376	91
Mining	237	170	177	424,424	84,877	339,547	3,067
Utilities	185	128	129	1,334,706	264,170	1,070,536	9
Construction	815	705	715	190,476	126,082	64,394	118
Manufacturing	3,272	2,399	2,282	6,979,545	2,501,786	4,477,759	43,348
Wholesale and retail trade	3,948	3,208	3,086	1,944,032	708,949	1,235,083	3,413
Wholesale trade	2,263	1,908	1,841	993,090	345,075	648,015	2,766
Retail trade	1,686	1,300	1,246	950,942	363,874	587,068	648
Transportation and warehousing	497	339	337	457,660	106,451	351,209	2,094
Information	687	437	416	2,721,934	493,913	2,228,021	1,334
Finance and insurance	1,972	1,652	1,620	16,030,851	5,729,400	10,301,451	7,964
Real estate and rental and leasing	189	132	130	213,756	50,647	163,109	132
Professional, scientific, and technical services	815	630	604	341,925	151,570	190,355	707
Management of companies (holding companies)	1,324	1,255	1,260	13,711,165	7,150,222	6,560,943	325,303
Administrative and support and waste management and remediation services	306	219	204	129,196	40,715	88,481	55
Educational services	61	37	38	16,242	5,012	11,230	3
Health care and social assistance	482	312	280	155,517	39,033	116,484	69
Arts, entertainment, and recreation	69	47	42	44,566	7,357	37,209	1,679
Accommodation and food services	252	175	173	229,260	36,399	192,861	101
Other services	79	53	51	32,660	6,325	26,335	6

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Liabilities			Net worth			
	Current	Noncurrent		Total	Retained earnings		
		Total	Loans from stockholders		Total	Appropriated	Unappropriated
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>4,743,771</b>	<b>2,759,702</b>	<b>146,077</b>	<b>1,705,910</b>	<b>11,535</b>	<b>10,587</b>	<b>948</b>
Agriculture, forestry, fishing, and hunting	273	576	0	902	-152	0	-152
Mining	19,752	36,764	2,094	62,521	3,299	[2]	3,298
Utilities	14,261	42,658	2,166	26,117	-7,451	0	-7,451
Construction	17,356	10,539	1,830	10,895	-1,781	2	-1,783
Manufacturing	961,940	669,785	74,703	588,151	-20,090	388	-20,479
Wholesale and retail trade	218,978	142,872	6,074	159,419	17,891	32	17,859
Wholesale trade	185,036	108,662	5,733	127,203	12,735	31	12,704
Retail trade	33,942	34,210	341	32,216	5,156	1	5,156
Transportation and warehousing	11,073	26,416	582	17,321	-4,193	6	-4,199
Information	64,635	96,114	27,785	203,971	-20,355	498	-20,853
Finance and insurance	2,512,566	1,416,970	19,958	427,453	39,528	9,649	29,879
Real estate and rental and leasing	17,359	32,144	1,215	19,817	965	0	965
Professional, scientific, and technical services	31,244	32,393	2,504	40,455	-17,642	5	-17,647
Management of companies (holding companies)	852,292	182,836	2,241	102,971	36,864	0	36,864
Administrative and support and waste management and remediation services	9,285	20,139	1,543	10,997	-16,103	[2]	-16,104
Educational services	1,357	1,851	26	673	-175	0	-175
Health care and social assistance	3,256	6,375	71	8,797	451	0	451
Arts, entertainment, and recreation	1,019	7,646	2,901	2,046	25	0	25
Accommodation and food services	6,179	32,003	256	22,473	-394	[2]	-395
Other services	946	1,620	128	933	849	5	844
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>22,446,275</b>	<b>12,289,353</b>	<b>209,559</b>	<b>10,251,487</b>	<b>4,183,249</b>	<b>139,799</b>	<b>4,043,450</b>
Agriculture, forestry, fishing, and hunting	5,359	16,947	778	6,893	1,915	4	1,911
Mining	72,024	156,564	183	195,836	94,970	136	94,835
Utilities	285,446	714,660	2,401	334,600	42,739	755	41,984
Construction	60,652	56,596	614	73,228	54,999	241	54,758
Manufacturing	2,193,674	2,182,917	40,706	2,602,953	1,260,073	5,385	1,254,688
Wholesale and retail trade	584,133	488,101	4,998	871,798	533,843	3,201	530,642
Wholesale trade	274,240	215,029	3,714	503,820	314,636	3,090	311,546
Retail trade	309,893	273,071	1,284	367,978	219,207	112	219,096
Transportation and warehousing	106,202	233,571	2,683	117,888	41,221	88	41,133
Information	558,699	1,011,889	22,492	1,151,345	-104,844	144	-104,989
Finance and insurance	8,550,285	5,176,240	7,114	2,304,326	1,300,691	123,195	1,177,496
Real estate and rental and leasing	46,529	101,223	2,196	66,004	15,215	73	15,142
Professional, scientific, and technical services	124,905	89,246	1,591	127,774	-27,685	75	-27,760
Management of companies (holding companies)	9,733,701	1,749,083	120,606	2,228,381	907,549	5,560	901,990
Administrative and support and waste management and remediation services	34,294	52,808	153	42,095	11,773	104	11,668
Educational services	4,824	4,726	22	6,692	2,294	0	2,294
Health care and social assistance	30,558	91,786	162	33,173	-1,228	14	-1,243
Arts, entertainment, and recreation	9,440	29,083	1,830	6,043	-3,125	11	-3,136
Accommodation and food services	40,817	115,143	797	73,300	50,878	752	50,126
Other services	4,733	18,768	233	9,158	1,972	61	1,912

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Receipts						Dividends received from:	
	Total	Business receipts	Interest [1]	Rents	Royalties		Domestic corporations	Foreign corporations
	(15)	(16)	(17)	(18)	(19)		(20)	(21)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>								
<b>All industries</b>	<b>3,642,030</b>	<b>3,155,255</b>	<b>297,796</b>	<b>17,060</b>	<b>13,410</b>		<b>5,743</b>	<b>5,627</b>
Agriculture, forestry, fishing, and hunting	1,217	1,151	12	1	1		0	36
Mining	64,026	58,930	1,033	110	171		1,184	148
Utilities	34,410	32,490	911	93	0		60	24
Construction	44,395	42,951	387	61	16		10	1
Manufacturing	1,734,109	1,639,255	25,824	11,321	5,388		915	3,228
Wholesale and retail trade	929,044	901,704	6,283	1,304	2,455		951	450
Wholesale trade	733,482	709,670	5,592	891	1,911		913	326
Retail trade	195,563	192,034	691	413	544		38	124
Transportation and warehousing	46,938	45,398	432	171	13		36	5
Information	89,874	75,085	2,916	134	3,770		436	347
Finance and insurance	431,049	200,142	181,002	1,498	12		1,548	769
Real estate and rental and leasing	21,289	16,042	990	430	6		109	2
Professional, scientific, and technical services	58,969	55,212	991	82	768		166	105
Management of companies (holding companies)	107,226	16,268	75,741	1,718	31		168	379
Administrative and support and waste management and remediation services	34,140	32,450	363	7	15		30	70
Educational services	1,356	1,249	47	2	45		5	5
Health care and social assistance	11,515	10,670	40	3	19		0	7
Arts, entertainment, and recreation	3,066	2,257	136	48	53		71	2
Accommodation and food services	26,096	20,849	657	76	596		54	11
Other services	3,310	3,152	31	1	51		0	38
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>								
<b>All industries</b>	<b>14,479,104</b>	<b>11,781,946</b>	<b>1,582,345</b>	<b>71,623</b>	<b>141,150</b>		<b>24,699</b>	<b>65,848</b>
Agriculture, forestry, fishing, and hunting	19,256	18,079	189	85	54		7	1
Mining	227,005	200,560	3,644	346	926		325	2,094
Utilities	576,409	538,783	9,333	2,614	76		180	1,191
Construction	262,771	253,059	1,838	708	227		46	12
Manufacturing	4,715,964	4,201,543	153,357	19,540	92,170		3,320	42,416
Wholesale and retail trade	3,051,096	2,951,530	19,071	5,465	9,716		1,324	5,399
Wholesale trade	1,332,901	1,290,361	10,740	2,848	3,860		1,092	3,313
Retail trade	1,718,195	1,661,169	8,331	2,617	5,856		232	2,086
Transportation and warehousing	425,002	389,743	4,419	1,380	2,196		135	337
Information	890,754	727,876	43,588	12,351	21,117		996	4,053
Finance and insurance	2,459,247	1,500,969	720,679	6,422	920		13,469	5,074
Real estate and rental and leasing	98,771	82,573	2,803	688	2,320		10	573
Professional, scientific, and technical services	263,367	245,633	5,579	244	4,235		159	1,040
Management of companies (holding companies)	929,874	158,747	610,886	19,976	273		4,570	2,409
Administrative and support and waste management and remediation services	146,385	139,320	1,302	196	688		37	374
Educational services	14,615	14,112	79	21	111		1	0
Health care and social assistance	167,211	157,942	1,356	491	62		26	316
Arts, entertainment, and recreation	26,328	23,116	548	163	111		8	59
Accommodation and food services	182,642	157,099	3,240	896	5,800		75	464
Other services	22,408	21,259	434	39	147		11	36

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Deductions						
	Total	Cost of goods sold	Compensation of officers	Salaries and wages	Interest paid	Taxes paid	Depreciation
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>3,484,182</b>	<b>2,318,217</b>	<b>11,923</b>	<b>211,675</b>	<b>281,204</b>	<b>42,875</b>	<b>82,669</b>
Agriculture, forestry, fishing, and hunting	1,143	833	10	44	36	17	52
Mining	52,780	29,133	174	2,889	1,921	1,077	2,486
Utilities	33,632	21,340	46	974	2,147	767	1,695
Construction	43,008	36,309	245	1,503	762	352	337
Manufacturing	1,661,752	1,291,395	3,956	70,090	47,686	18,088	43,214
Wholesale and retail trade	901,282	731,045	1,906	44,970	9,871	7,898	14,565
Wholesale trade	710,893	592,827	1,672	25,944	7,574	5,067	11,466
Retail trade	190,388	138,218	234	19,025	2,296	2,830	3,099
Transportation and warehousing	47,388	19,486	230	6,814	1,274	1,197	1,590
Information	84,013	27,731	685	12,327	7,636	1,695	4,683
Finance and insurance	410,428	103,972	2,927	30,692	154,106	4,244	5,825
Real estate and rental and leasing	18,656	3,940	163	2,669	2,229	659	4,058
Professional, scientific, and technical services	57,119	19,497	843	13,584	1,866	2,594	859
Management of companies (holding companies)	91,897	1,060	351	9,783	48,252	1,207	1,992
Administrative and support and waste management and remediation services	38,408	15,843	222	7,221	976	1,411	508
Educational services	1,314	466	34	276	139	36	17
Health care and social assistance	10,389	4,891	19	1,485	522	419	199
Arts, entertainment, and recreation	2,929	953	27	452	283	98	164
Accommodation and food services	25,020	9,204	65	5,277	1,388	1,043	393
Other services	3,025	1,119	20	624	109	73	32
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>13,475,580</b>	<b>7,409,377</b>	<b>78,023</b>	<b>1,306,291</b>	<b>1,296,646</b>	<b>261,415</b>	<b>341,939</b>
Agriculture, forestry, fishing, and hunting	18,704	14,635	138	815	560	278	402
Mining	193,267	105,859	2,156	9,814	7,779	8,116	9,420
Utilities	541,975	314,997	1,684	21,894	31,927	20,954	33,152
Construction	246,766	192,990	2,245	10,536	3,391	3,753	2,114
Manufacturing	4,413,569	3,066,978	18,150	271,603	195,011	72,378	108,199
Wholesale and retail trade	2,922,487	2,275,610	10,501	239,475	33,594	39,157	34,133
Wholesale trade	1,284,906	1,083,756	6,299	65,191	15,433	12,178	10,568
Retail trade	1,637,580	1,191,854	4,202	174,284	18,160	26,979	23,565
Transportation and warehousing	406,945	114,706	1,909	79,016	11,385	13,446	21,521
Information	797,761	150,381	5,977	127,538	68,839	21,664	52,038
Finance and insurance	2,259,269	927,417	15,212	213,623	492,911	33,361	21,020
Real estate and rental and leasing	93,963	17,361	806	17,627	7,136	2,762	15,631
Professional, scientific, and technical services	252,637	81,955	5,765	67,027	7,598	7,250	4,252
Management of companies (holding companies)	796,127	1,900	8,007	105,881	416,102	13,740	24,084
Administrative and support and waste management and remediation services	139,763	60,595	1,353	29,172	3,835	7,092	3,300
Educational services	13,447	1,519	255	4,727	397	421	337
Health care and social assistance	161,240	17,893	1,402	58,397	5,640	6,201	3,768
Arts, entertainment, and recreation	25,147	4,601	387	5,175	1,661	2,011	1,352
Accommodation and food services	171,042	50,185	1,873	40,331	7,867	8,025	6,617
Other services	21,472	9,794	203	3,639	1,015	804	600

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Total receipts less total deductions	Constructive taxable income from related foreign corporations	Net income (less deficit)	Net income	Deficit	Statutory special deductions	
						Total	Net operating loss deduction
	(29)	(30)	(31)	(32)	(33)	(34)	(35)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>157,849</b>	<b>5,560</b>	<b>161,718</b>	<b>191,822</b>	<b>-30,105</b>	<b>37,891</b>	<b>33,138</b>
Agriculture, forestry, fishing, and hunting	75	0	75	101	-26	45	9
Mining	11,246	187	11,431	12,571	-1,141	2,821	1,867
Utilities	777	40	812	990	-178	196	147
Construction	1,387	12	1,398	1,757	-360	192	182
Manufacturing	72,357	2,833	74,945	85,505	-10,560	9,489	8,550
Wholesale and retail trade	27,763	331	28,004	31,435	-3,431	4,355	3,400
Wholesale trade	22,589	330	22,846	25,954	-3,108	3,442	2,627
Retail trade	5,174	1	5,158	5,480	-322	913	772
Transportation and warehousing	-450	14	-437	1,491	-1,928	456	426
Information	5,861	248	5,997	8,037	-2,041	3,686	3,332
Finance and insurance	20,621	643	20,830	23,795	-2,964	14,137	13,242
Real estate and rental and leasing	2,633	0	2,421	3,026	-605	510	428
Professional, scientific, and technical services	1,850	95	1,903	3,219	-1,316	892	731
Management of companies (holding companies)	15,328	776	15,580	15,889	-309	316	190
Administrative and support and waste management and remediation services	-4,267	29	-4,257	591	-4,848	198	170
Educational services	41	3	44	64	-19	24	19
Health care and social assistance	1,127	0	1,125	1,147	-22	222	215
Arts, entertainment, and recreation	137	4	141	245	-104	114	43
Accommodation and food services	1,077	324	1,399	1,625	-226	221	168
Other services	286	20	306	334	-27	19	19
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>1,003,524</b>	<b>91,149</b>	<b>1,068,755</b>	<b>1,158,410</b>	<b>-89,655</b>	<b>127,518</b>	<b>100,022</b>
Agriculture, forestry, fishing, and hunting	552	87	633	995	-362	93	87
Mining	33,739	1,175	34,855	36,643	-1,788	5,399	5,071
Utilities	34,434	1,002	35,062	41,164	-6,101	9,169	9,008
Construction	16,004	36	15,990	16,910	-920	386	349
Manufacturing	302,395	62,788	357,271	390,477	-33,206	34,874	23,797
Wholesale and retail trade	128,610	5,446	133,256	138,047	-4,791	6,730	5,525
Wholesale trade	47,995	3,218	50,949	53,137	-2,188	2,722	1,895
Retail trade	80,615	2,228	82,307	84,910	-2,603	4,007	3,630
Transportation and warehousing	18,057	577	18,539	23,723	-5,184	2,731	2,513
Information	92,993	3,605	95,997	109,129	-13,132	35,732	34,902
Finance and insurance	199,978	11,374	202,552	212,272	-9,720	16,630	7,938
Real estate and rental and leasing	4,808	131	4,893	7,144	-2,251	2,151	2,090
Professional, scientific, and technical services	10,730	1,008	11,516	16,010	-4,494	4,324	3,772
Management of companies (holding companies)	133,747	2,998	130,176	130,961	-785	5,931	1,737
Administrative and support and waste management and remediation services	6,622	241	6,711	7,812	-1,101	1,238	1,208
Educational services	1,168	7	1,131	1,379	-249	31	30
Health care and social assistance	5,971	99	5,951	9,603	-3,652	811	792
Arts, entertainment, and recreation	1,182	23	1,187	1,784	-598	482	476
Accommodation and food services	11,599	535	12,089	13,175	-1,086	606	535
Other services	936	14	946	1,181	-235	201	193

Footnotes at end of table.



# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Income subject to tax	Total income tax before credits	Income tax	Alternative minimum tax	Total credits	Foreign tax credit	Total income tax after credits
	(36)	(37)	(38)	(39)	(40)	(41)	(42)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>							
<b>All industries</b>	<b>159,482</b>	<b>56,297</b>	<b>55,733</b>	<b>557</b>	<b>10,203</b>	<b>7,922</b>	<b>46,095</b>
Agriculture, forestry, fishing, and hunting	56	19	19	0	4	1	15
Mining	9,751	3,573	3,412	160	1,799	1,633	1,773
Utilities	810	292	283	7	88	0	203
Construction	1,631	573	570	3	10	10	562
Manufacturing	76,152	26,781	26,640	139	5,905	4,975	20,876
Wholesale and retail trade	27,111	9,533	9,470	63	570	240	8,963
Wholesale trade	22,544	7,924	7,873	51	529	223	7,395
Retail trade	4,567	1,609	1,597	12	41	18	1,568
Transportation and warehousing	1,036	376	362	13	34	30	342
Information	4,351	1,534	1,484	50	83	37	1,451
Finance and insurance	14,883	5,295	5,205	89	688	481	4,607
Real estate and rental and leasing	2,515	896	880	16	6	1	890
Professional, scientific, and technical services	2,340	823	814	9	114	39	710
Management of companies (holding companies)	15,616	5,470	5,465	2	722	359	4,748
Administrative and support and waste management and remediation services	413	146	143	3	21	6	124
Educational services	40	14	14	0	9	9	4
Health care and social assistance	925	324	323	1	4	1	320
Arts, entertainment, and recreation	132	47	46	1	5	5	42
Accommodation and food services	1,405	494	491	2	117	70	377
Other services	315	110	110	0	23	22	87
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>							
<b>All industries</b>	<b>1,037,923</b>	<b>367,253</b>	<b>364,405</b>	<b>2,795</b>	<b>88,438</b>	<b>69,528</b>	<b>278,815</b>
Agriculture, forestry, fishing, and hunting	903	316	314	2	8	6	308
Mining	31,439	11,120	11,001	119	2,896	2,391	8,223
Utilities	32,419	11,649	11,344	300	1,996	172	9,653
Construction	16,522	5,781	5,763	10	118	31	5,663
Manufacturing	356,495	125,064	124,740	311	50,979	44,764	74,085
Wholesale and retail trade	132,366	45,991	45,852	167	4,592	3,896	41,399
Wholesale trade	51,451	17,650	17,553	120	2,643	2,370	15,006
Retail trade	80,915	28,341	28,300	47	1,948	1,527	26,393
Transportation and warehousing	21,100	7,406	7,378	28	703	434	6,704
Information	77,119	28,131	27,671	459	4,105	3,299	24,026
Finance and insurance	196,182	70,865	69,738	1,104	11,849	7,692	59,015
Real estate and rental and leasing	4,991	1,896	1,745	141	89	72	1,807
Professional, scientific, and technical services	11,703	4,142	4,083	59	749	509	3,393
Management of companies (holding companies)	124,677	43,612	43,578	23	8,513	5,224	35,099
Administrative and support and waste management and remediation services	7,009	2,469	2,458	11	479	216	1,990
Educational services	1,349	471	471	0	1	0	470
Health care and social assistance	8,798	3,084	3,074	10	145	93	2,939
Arts, entertainment, and recreation	1,303	462	455	6	27	9	435
Accommodation and food services	12,568	4,449	4,400	43	1,162	707	3,287
Other services	980	345	341	3	25	14	320

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Percentages					
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	Total liabilities divided by net worth
	Divided by total number of returns		Divided by total assets			
	(43)	(44)	(45)	(46)	(47)	(48)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>						
<b>All industries</b>	<b>75.68</b>	<b>73.00</b>	<b>51.51</b>	<b>29.97</b>	<b>18.52</b>	<b>439.85</b>
Agriculture, forestry, fishing, and hunting	90.00	90.00	15.59	32.90	51.51	94.12
Mining	64.71	63.53	16.59	30.88	52.52	90.40
Utilities	72.41	75.86	17.17	51.37	31.45	217.94
Construction	68.49	68.49	44.74	27.17	28.09	256.03
Manufacturing	72.55	69.24	43.33	30.17	26.49	277.43
Wholesale and retail trade	82.78	80.10	42.01	27.41	30.58	226.98
Wholesale trade	83.09	80.38	43.96	25.82	30.22	230.89
Retail trade	80.65	78.23	33.82	34.08	32.10	211.55
Transportation and warehousing	55.88	57.84	20.20	48.20	31.60	216.44
Information	68.33	63.33	17.72	26.35	55.93	78.81
Finance and insurance	81.82	81.82	57.67	32.52	9.81	919.29
Real estate and rental and leasing	71.43	70.00	25.04	46.37	28.59	249.80
Professional, scientific, and technical services	72.73	68.18	30.02	31.12	38.86	157.30
Management of companies (holding companies)	76.74	74.42	74.89	16.07	9.05	1,005.26
Administrative and support and waste management and remediation services	73.12	69.89	22.97	49.82	27.21	267.56
Educational services	66.67	50.00	34.97	47.69	17.34	476.67
Health care and social assistance	76.47	76.47	17.67	34.59	47.74	109.48
Arts, entertainment, and recreation	58.33	50.00	9.51	71.38	19.10	423.51
Accommodation and food services	74.36	64.10	10.19	52.76	37.05	169.90
Other services	45.45	45.45	27.04	46.30	26.66	275.03
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>						
<b>All industries</b>	<b>78.28</b>	<b>75.97</b>	<b>49.89</b>	<b>27.32</b>	<b>22.79</b>	<b>338.84</b>
Agriculture, forestry, fishing, and hunting	72.28	72.28	18.35	58.04	23.61	323.60
Mining	71.73	74.68	16.97	36.89	46.14	116.72
Utilities	69.19	69.73	21.39	53.54	25.07	298.90
Construction	86.50	87.73	31.84	29.71	38.44	160.11
Manufacturing	73.32	69.74	31.43	31.28	37.29	168.14
Wholesale and retail trade	81.26	78.17	30.05	25.11	44.84	122.99
Wholesale trade	84.31	81.35	27.61	21.65	50.73	97.11
Retail trade	77.11	73.90	32.59	28.72	38.70	158.42
Transportation and warehousing	68.21	67.81	23.21	51.04	25.76	288.22
Information	63.61	60.55	20.53	37.18	42.30	136.41
Finance and insurance	83.77	82.15	53.34	32.29	14.37	595.69
Real estate and rental and leasing	69.84	68.78	21.77	47.35	30.88	223.85
Professional, scientific, and technical services	77.30	74.11	36.53	26.10	37.37	167.60
Management of companies (holding companies)	94.79	95.17	70.99	12.76	16.25	515.30
Administrative and support and waste management and remediation services	71.57	66.67	26.54	40.87	32.58	206.92
Educational services	60.66	62.30	29.70	29.10	41.20	142.71
Health care and social assistance	64.73	58.09	19.65	59.02	21.33	368.81
Arts, entertainment, and recreation	68.12	60.87	21.18	65.26	13.56	637.48
Accommodation and food services	69.44	68.65	17.80	50.22	31.97	212.77
Other services	67.09	64.56	14.49	57.46	28.04	256.62

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Percentages—continued					
	Total receipts divided by total assets	Cost of goods sold divided by business receipts	Interest paid divided by total receipts	Total receipts less total deductions divided by		
				Total assets	Net worth	Total receipts
	(49)	(50)	(51)	(52)	(53)	(54)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>						
<b>All industries</b>	<b>39.55</b>	<b>73.47</b>	<b>7.72</b>	<b>1.71</b>	<b>9.25</b>	<b>4.33</b>
Agriculture, forestry, fishing, and hunting	69.50	72.37	2.96	4.28	8.31	6.16
Mining	53.79	49.44	3.00	9.45	17.99	17.56
Utilities	41.44	65.68	6.24	0.94	2.98	2.26
Construction	114.45	84.54	1.72	3.58	12.73	3.12
Manufacturing	78.12	78.78	2.75	3.26	12.30	4.17
Wholesale and retail trade	178.23	81.07	1.06	5.33	17.42	2.99
Wholesale trade	174.26	83.54	1.03	5.37	17.76	3.08
Retail trade	194.85	71.98	1.17	5.16	16.06	2.65
Transportation and warehousing	85.64	42.92	2.71	-0.82	-2.60	-0.96
Information	24.64	36.93	8.50	1.61	2.87	6.52
Finance and insurance	9.89	51.95	35.75	0.47	4.82	4.78
Real estate and rental and leasing	30.71	24.56	10.47	3.80	13.29	12.37
Professional, scientific, and technical services	56.65	35.31	3.16	1.78	4.57	3.14
Management of companies (holding companies)	9.42	6.52	45.00	1.35	14.89	14.30
Administrative and support and waste management and remediation services	84.46	48.82	2.86	-10.56	-38.80	-12.50
Educational services	34.94	37.31	10.25	1.06	6.09	3.02
Health care and social assistance	62.49	45.84	4.53	6.12	12.81	9.79
Arts, entertainment, and recreation	28.62	42.22	9.23	1.28	6.70	4.47
Accommodation and food services	43.02	44.15	5.32	1.78	4.79	4.13
Other services	94.60	35.50	3.29	8.17	30.65	8.64
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>						
<b>All industries</b>	<b>32.19</b>	<b>62.89</b>	<b>8.96</b>	<b>2.23</b>	<b>9.79</b>	<b>6.93</b>
Agriculture, forestry, fishing, and hunting	65.95	80.95	2.91	1.89	8.01	2.87
Mining	53.49	52.78	3.43	7.95	17.23	14.86
Utilities	43.19	58.46	5.54	2.58	10.29	5.97
Construction	137.95	76.26	1.29	8.40	21.86	6.09
Manufacturing	67.57	73.00	4.14	4.33	11.62	6.41
Wholesale and retail trade	156.95	77.10	1.10	6.62	14.75	4.22
Wholesale trade	134.22	83.99	1.16	4.83	9.53	3.60
Retail trade	180.68	71.75	1.06	8.48	21.91	4.69
Transportation and warehousing	92.86	29.43	2.68	3.95	15.32	4.25
Information	32.73	20.66	7.73	3.42	8.08	10.44
Finance and insurance	15.34	61.79	20.04	1.25	8.68	8.13
Real estate and rental and leasing	46.21	21.03	7.22	2.25	7.28	4.87
Professional, scientific, and technical services	77.02	33.36	2.88	3.14	8.40	4.07
Management of companies (holding companies)	6.78	1.20	44.75	0.98	6.00	14.38
Administrative and support and waste management and remediation services	113.30	43.49	2.62	5.13	15.73	4.52
Educational services	89.98	10.76	2.72	7.19	17.45	7.99
Health care and social assistance	107.52	11.33	3.37	3.84	18.00	3.57
Arts, entertainment, and recreation	59.08	19.90	6.31	2.65	19.56	4.49
Accommodation and food services	79.67	31.94	4.31	5.06	15.82	6.35
Other services	68.61	46.07	4.53	2.87	10.22	4.18

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Percentages—continued			
	Net income (less deficit) divided by			Net operating loss deduction divided by net income
	Total assets	Net worth	Total receipts	
	(55)	(56)	(57)	(58)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>				
<b>All industries</b>	<b>1.76</b>	<b>9.48</b>	<b>4.44</b>	<b>17.28</b>
Agriculture, forestry, fishing, and hunting	4.28	8.31	6.16	8.91
Mining	9.60	18.28	17.85	14.85
Utilities	0.98	3.11	2.36	14.85
Construction	3.60	12.83	3.15	10.36
Manufacturing	3.38	12.74	4.32	10.00
Wholesale and retail trade	5.37	17.57	3.01	10.82
Wholesale trade	5.43	17.96	3.11	10.12
Retail trade	5.14	16.01	2.64	14.09
Transportation and warehousing	-0.80	-2.52	-0.93	28.57
Information	1.64	2.94	6.67	41.46
Finance and insurance	0.48	4.87	4.83	55.65
Real estate and rental and leasing	3.49	12.22	11.37	14.14
Professional, scientific, and technical services	1.83	4.70	3.23	22.71
Management of companies (holding companies)	1.37	15.13	14.53	1.20
Administrative and support and waste management and remediation services	-10.53	-38.71	-12.47	28.76
Educational services	1.13	6.54	3.24	29.69
Health care and social assistance	6.10	12.79	9.77	18.74
Arts, entertainment, and recreation	1.32	6.89	4.60	17.55
Accommodation and food services	2.31	6.23	5.36	10.34
Other services	8.75	32.80	9.24	5.69
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>				
<b>All industries</b>	<b>2.38</b>	<b>10.43</b>	<b>7.38</b>	<b>8.63</b>
Agriculture, forestry, fishing, and hunting	2.17	9.18	3.29	8.74
Mining	8.21	17.80	15.35	13.84
Utilities	2.63	10.48	6.08	21.88
Construction	8.39	21.84	6.09	2.06
Manufacturing	5.12	13.73	7.58	6.09
Wholesale and retail trade	6.85	15.29	4.37	4.00
Wholesale trade	5.13	10.11	3.82	3.57
Retail trade	8.66	22.37	4.79	4.28
Transportation and warehousing	4.05	15.73	4.36	10.59
Information	3.53	8.34	10.78	31.98
Finance and insurance	1.26	8.79	8.24	3.74
Real estate and rental and leasing	2.29	7.41	4.95	29.26
Professional, scientific, and technical services	3.37	9.01	4.37	23.56
Management of companies (holding companies)	0.95	5.84	14.00	1.33
Administrative and support and waste management and remediation services	5.19	15.94	4.58	15.46
Educational services	6.96	16.90	7.74	2.18
Health care and social assistance	3.83	17.94	3.56	8.25
Arts, entertainment, and recreation	2.66	19.64	4.51	26.68
Accommodation and food services	5.27	16.49	6.62	4.06
Other services	2.90	10.33	4.22	16.34

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 2006

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**Table 4. "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Industrial Sector, Tax Year 2006—Continued**

[Money amounts are in millions of dollars]

Control status and industrial sector	Percentages—continued					
	Income subject to tax divided by			Total income tax after credits divided by		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
	(59)	(60)	(61)	(62)	(63)	(64)
<b>FOREIGN-CONTROLLED DOMESTIC CORPORATIONS</b>						
<b>All industries</b>	<b>1.73</b>	<b>9.35</b>	<b>4.38</b>	<b>0.50</b>	<b>2.70</b>	<b>1.27</b>
Agriculture, forestry, fishing, and hunting	3.20	6.21	4.60	0.86	1.66	1.23
Mining	8.19	15.60	15.23	1.49	2.84	2.77
Utilities	0.98	3.10	2.35	0.24	0.78	0.59
Construction	4.20	14.97	3.67	1.45	5.16	1.27
Manufacturing	3.43	12.95	4.39	0.94	3.55	1.20
Wholesale and retail trade	5.20	17.01	2.92	1.72	5.62	0.96
Wholesale trade	5.36	17.72	3.07	1.76	5.81	1.01
Retail trade	4.55	14.18	2.34	1.56	4.87	0.80
Transportation and warehousing	1.89	5.98	2.21	0.62	1.97	0.73
Information	1.19	2.13	4.84	0.40	0.71	1.61
Finance and insurance	0.34	3.48	3.45	0.11	1.08	1.07
Real estate and rental and leasing	3.63	12.69	11.81	1.28	4.49	4.18
Professional, scientific, and technical services	2.25	5.78	3.97	0.68	1.76	1.20
Management of companies (holding companies)	1.37	15.17	14.56	0.42	4.61	4.43
Administrative and support and waste management and remediation services	1.02	3.76	1.21	0.31	1.13	0.36
Educational services	1.03	5.94	2.95	0.10	0.59	0.29
Health care and social assistance	5.02	10.51	8.03	1.74	3.64	2.78
Arts, entertainment, and recreation	1.23	6.45	4.31	0.39	2.05	1.37
Accommodation and food services	2.32	6.25	5.38	0.62	1.68	1.44
Other services	9.00	33.76	9.52	2.49	9.32	2.63
<b>DOMESTIC CORPORATIONS NOT FOREIGN-CONTROLLED</b>						
<b>All industries</b>	<b>2.31</b>	<b>10.12</b>	<b>7.17</b>	<b>0.62</b>	<b>2.72</b>	<b>1.93</b>
Agriculture, forestry, fishing, and hunting	3.09	13.10	4.69	1.05	4.47	1.60
Mining	7.41	16.05	13.85	1.94	4.20	3.62
Utilities	2.43	9.69	5.62	0.72	2.88	1.67
Construction	8.67	22.56	6.29	2.97	7.73	2.16
Manufacturing	5.11	13.70	7.56	1.06	2.85	1.57
Wholesale and retail trade	6.81	15.18	4.34	2.13	4.75	1.36
Wholesale trade	5.18	10.21	3.86	1.51	2.98	1.13
Retail trade	8.51	21.99	4.71	2.78	7.17	1.54
Transportation and warehousing	4.61	17.90	4.96	1.46	5.69	1.58
Information	2.83	6.70	8.66	0.88	2.09	2.70
Finance and insurance	1.22	8.51	7.98	0.37	2.56	2.40
Real estate and rental and leasing	2.33	7.56	5.05	0.85	2.74	1.83
Professional, scientific, and technical services	3.42	9.16	4.44	0.99	2.66	1.29
Management of companies (holding companies)	0.91	5.59	13.41	0.26	1.58	3.77
Administrative and support and waste management and remediation services	5.43	16.65	4.79	1.54	4.73	1.36
Educational services	8.31	20.16	9.23	2.89	7.02	3.22
Health care and social assistance	5.66	26.52	5.26	1.89	8.86	1.76
Arts, entertainment, and recreation	2.92	21.56	4.95	0.98	7.20	1.65
Accommodation and food services	5.48	17.15	6.88	1.43	4.48	1.80
Other services	3.00	10.70	4.37	0.98	3.49	1.43

[1] Excludes nontaxable interest received on State and local government obligations, which totaled \$25.9 billion for large domestic corporations not foreign-controlled, and \$1.7 billion for large foreign-controlled domestic corporations.

[2] Less than \$500,000.

NOTES: "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts were used in lieu of business receipts for the finance and insurance, and management of companies sectors). Data exclude Forms 1120-REIT (real estate investment trusts), 1120-RIC (regulated investment companies), and 1120S (S corporations). Data also exclude returns in which the foreign ownership level is between 25 percent and 49 percent. Percentages shown in table were calculated using rounded data. Detail may not add to totals because of rounding.

# Corporate Foreign Tax Credit, 2005

by Melissa Costa

**F**or Tax Year 2005, 5,837 U.S. corporations claimed over \$84 billion in foreign tax credits, reducing their U.S. tax on worldwide income by 30.3 percent, from \$278.2 billion to \$194 billion. They reported a total of about \$402 billion in foreign-source taxable income, slightly more than 50 percent of total worldwide income. Due in part to the one-time repatriation tax holiday, foreign-source taxable income for corporations claiming a foreign tax credit (in constant 2005 dollars) rose 61 percent from 2004, while the foreign tax credit increased 43.9 percent.<sup>1</sup>

The one-time repatriation tax holiday allowed taxpayers to deduct 85 percent of qualifying dividends received from their controlled foreign corporations from taxable income.<sup>2</sup> Taxpayers claiming the foreign tax credit reported their repatriated dividends, as well as the 85-percent deduction for qualifying dividends, on Form 1118, *Computation of Foreign Tax Credit-Corporation*, and were required to reduce their foreign taxes eligible for credit by the amount of taxes paid or deemed paid on their qualifying dividends. Taxpayers could take advantage of the repatriation tax holiday for tax years ending between October 22, 2004, and October 22, 2006, but most claimed it for Tax Year 2005.

As a result, U.S. corporations with a foreign tax credit reported \$397.8 billion in dividends in foreign-source gross income, an increase of about 346 percent (in constant 2005 dollars) from 2004. They claimed \$277.3 billion dollars in dividends qualifying for the reduction. Likewise, gross income grew from \$485.4 billion for Tax Year 2004 (in constant 2005 dollars) to \$914.7 billion for 2005. Overall, foreign taxes paid or deemed paid rose from \$63.2 billion (in constant 2005 dollars) to \$111.6 billion, and the reduction of taxes eligible for credit increased from \$4.6 billion to \$24.2 billion (in constant 2005 dollars).

Corporations whose primary business was manufacturing accounted for about 68 percent of the total foreign-source taxable income from corporations

claiming a foreign tax credit and reported 69 percent of the total foreign tax credit. Within this industry, corporations engaged in the manufacturing of petroleum and coal products were responsible for 18 percent of the total foreign-source taxable income and 29 percent of the foreign tax credit. As the pharmaceutical manufacturing industry brought home almost one-third of the dividends repatriated under the one-time repatriation tax holiday provisions, it is not surprising that foreign-source taxable income for corporations in this industrial sector rose from an inflation-adjusted \$19.0 billion in 2004 to \$49.3 billion in 2005, an increase of 160 percent. The major industry group responsible for the second largest share of foreign-source taxable income was the finance, insurance, real estate, and rental and leasing industry, with 9.3 percent of the total foreign-source taxable income and 7.9 percent of the foreign tax credit.

A little more than half of the foreign-source taxable income came from Europe, with nearly 40 percent from European Union (EU) countries. The top three EU countries included the United Kingdom, which accounted for 12.5 percent of the total taxable income, followed by the Netherlands, with 9.2 percent, and Ireland, with 5.6 percent. Of the countries outside the EU, Canada and Japan accounted for the largest percentage of foreign-source taxable income, with 7.8 percent and 4.6 percent, respectively.

The United Kingdom accounted for the largest percentage, 11.3 percent, of foreign taxes paid or deemed paid. Other countries responsible for a noticeable share of foreign taxes paid or deemed paid included the Netherlands (11.0 percent), Canada (9.4 percent), Norway (6.7 percent), Japan (5.6 percent), and Switzerland, (4.0 percent).

For 2005, U.S. corporations computed their total foreign tax credit by first computing a separate foreign tax credit for each defined group of statutory categories of foreign-source income or “baskets” that applied and then adding the credits together. Since the reduction of statutory categories passed in the American Jobs Creation Act of 2004 did not take effect until Tax Year 2007, there were still multiple categories for Tax Year 2005. Those included in these statistics were passive income, high withholding tax interest, financial services income, shipping income,

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<sup>1</sup> Adjustments to constant 2005 dollars are based on the consumer price index.

<sup>2</sup> For more information, see Redmiles, Melissa, “The One-Time Received Dividend Deduction,” *Statistics of Income Bulletin*, Spring 2008, Volume 27, Number 4.



dividends from a domestic international sales corporation (DISC) or former DISC, certain distributions from a foreign sales corporation (FSC) or former FSC, section 901(j) income, income re-sourced by treaty, and general limitation income.<sup>3</sup> Most foreign-source taxable income (80.3 percent) and foreign taxes available for credit (83.5 percent) fell into the general limitation category. The financial services income basket comprised the second largest share, with 15.5 percent of the foreign-source taxable income and 14.0 percent of the taxes.

## Summary

Corporations reported over \$84 billion in foreign tax credits, an increase of 43.9 percent from 2004 (in constant 2005 dollars). This can be attributed, to a certain extent, to the one-time repatriation tax holiday. The manufacturing industry still accounted for the largest percentage of foreign-source taxable income. Together, the United Kingdom, the Netherlands, Canada, Ireland, and Switzerland accounted for approximately 40 percent of the foreign-source taxable income reported in 2005.

## Data Sources and Limitations

Internal Revenue Code section 901 specifies the provisions for the foreign tax credit. Corporations report the foreign income and taxes related to the credit on *Form 1118, Computation of Foreign Tax Credit—Corporations* and attach it to their corporate tax returns. The statistics in this data release are based on information reported on Forms 1118 and related corporate tax forms for those corporation income tax returns with a foreign tax credit that were included in the 2005 Statistics of Income sample of returns with accounting periods ending between July 2005 and June 2006. These returns were selected after administrative processing but prior to any amendments or audit examination. The 2005 corporation income tax return sample included Forms 1120, 1120-F, 1120-L, 1120-PC, and 1120-REIT. The statistics in this data release do not include any foreign tax credit data filed specifically for the computation of the alternative minimum tax (AMT), even if the corporation reported both the regular and AMT foreign tax credits.

There are small discrepancies between the more complete foreign tax credit data presented in

this data release and those published in *Statistics of Income—2005, Corporation Income Tax Returns*. Some of the differences can be attributed to returns selected for the Statistics of Income sample that were received too late to be included in the corporation income tax statistics. Also, additional data were requested for the foreign tax credit statistics from some corporations that submitted preliminary data on their original returns because they lacked complete information on their foreign operations at the time of filing.

Foreign income and taxes available for credit are understated to the extent that they were not reported on the Form 1118 filed with the Form 1120. Because amended returns are not included, these statistics do not contain foreign taxes carried back from subsequent tax years. Likewise, corporations that could not claim a foreign tax credit because they did not have a U.S. tax liability are not included. Finally, some corporations may have deducted their foreign taxes from gross income rather than claim a foreign tax credit.

Because the estimates are based on a sample, they are subject to sampling error. Coefficients of Variation (CVs) are used to measure the magnitude of this sampling error. The CV concept is defined in the section on sampling variability in the SOI Sampling Methodology and Data Limitations appendix of this publication. Figure A presents CVs for foreign tax credits by selected North American Industry Classification System (NAICS) divisions and industrial sectors. The smaller the CV, the more reliable the estimate is judged to be.

## Description of Tables 1-3

Table 1, columns 2 through 15, presents statistics on assets, receipts, income, and taxes reported on the basic corporation income tax returns for those corporations claiming a foreign tax credit. Columns 17 through 52 contain statistics from Form 1118. Although the amount of oil and gas income and deductions (columns 24 and 36, respectively) are included in columns 17 through 23 and 27 through 35, these amounts are also reported separately on Form 1118 (*Schedule I, Reduction of Oil and Gas Extraction Taxes*) because oil and gas extraction income is subject to special rules under Internal Revenue Code

<sup>3</sup> See explanation of terms for the definition of each basket.

# Corporate Foreign Tax Credit, 2005

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**Figure A**

## Coefficients of Variation for Foreign Tax Credit, by Selected Sector or Group, Tax Year 2005

Selected sector or group	Coefficients of variation for foreign tax credit (percentages)
<b>All industries</b>	<b>0.03</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>5.59</b>
<b>Mining</b>	<b>0.17</b>
<b>Utilities</b>	<b>0.10</b>
<b>Construction</b>	<b>9.84</b>
<b>Manufacturing</b>	<b>0.01</b>
Food manufacturing	0.02
Petroleum and coal products manufacturing	[1]
Chemical manufacturing	0.02
Pharmaceutical and medicine manufacturing	[1]
Fabricated metal products	0.25
Machinery manufacturing	0.12
Computer and electronic product manufacturing	0.07
Electrical equipment, appliance and component manufacturing	0.07
Transportation equipment manufacturing	0.08
<b>Wholesale and retail trade</b>	<b>0.40</b>
<b>Transportation and warehousing</b>	<b>0.18</b>
<b>Information</b>	<b>0.16</b>
Publishing (except internet), motion picture and sound recording	0.14
<b>Finance, insurance, real estate, rental and leasing</b>	<b>0.07</b>
Finance and Insurance	0.05
Securities, commodity contracts, etc.	0.05
Insurance and related activities	[1]
<b>Services</b>	<b>0.11</b>
Management of holding companies	0.13

[1] less than 0.005 percent

section 907, which effectively requires a separate limitation calculation for taxes related to oil and gas extraction income. Foreign branch income (column 25) is also contained in the summary columns but reported separately on Form 1118 (Schedule F, *Gross Income and Definitely Allocable Deductions for Foreign Branches*).

Table 2 includes foreign income, deductions, and taxes paid, accrued, or deemed paid from Form 1118, by major industrial groups and by separate income basket, while Table 3 presents similar statistics, by selected geographic region and country.

## Explanation of Selected Terms

**Adjustments to taxable income**—Foreign-source taxable income is adjusted, when applicable by the allocation of current-year foreign losses, recharacterization of income due to prior-year loss allocations, adjustments related to overall foreign losses, including recapture of prior overall foreign losses, and allocations of current-year U.S. losses. See Table 1, column 38 and Table 2, column 23.

**Carryover of foreign taxes**—Corporations can carry taxes paid in excess of the limitation back up to 2 years or forward up to 5 years. The 2005 statistics in this data release include only foreign taxes carried forward from prior years. The American Jobs Creation Act of 2004 extended the carryover period to ten years and reduced the carryback period to one year, effective for tax years beginning after October 22, 2004. The 2005 statistics in this data release include only foreign taxes carried forward from prior years.

**Controlled foreign corporations (CFCs)**—As defined in Internal Revenue Code section 957(a), any foreign corporation in which U.S. shareholders own directly, indirectly, or constructively, more than 50 percent of either the total combined voting power or total value of all stock on any day of the taxable year of the corporation.

**Deemed dividends**—Certain types of income earned by controlled foreign corporations (CFCs) are recognized under Subpart F of the Internal Revenue Service Code as current-year income of the U.S. corporation, even if no income is actually received from the CFC in the current tax year. In such cases, the U.S. corporation is deemed to have received a pro rata share of this income and required to report it as a deemed dividend on Form 1118.

**Dividend gross-up**—U.S. corporations that satisfy ownership and other requirements are permitted to take an indirect foreign tax credit for taxes paid on profits from which dividends were distributed. Under Internal Revenue Code section 78, these taxes are “deemed paid” by U.S. corporations under Internal Revenue Code sections 902 and 960(a). Consequently, the dividend income is “grossed-up” by the amount of taxes deemed paid on the income from which the dividend was paid.

**Financial services income**—This separate limitation income applies to certain income from financial

services activities. It includes all income, including “passive income” (see below) that is generated from banking, insurance, financing, or similar activities, and from certain types of insurance investments. Financial services income excludes “high withholding tax interest” (see below) and certain types of export financing interest.

**Foreign sales corporation (FSC)**—A company incorporated abroad and usually controlled by a U.S. person. A portion of the FSC’s “foreign trade income” is exempt from U.S. taxation. Congress repealed FSC provisions in 1999. Transition rules exempting transactions that were part of a binding contract with a FSC before September 17, 2003, were repealed in May 2006.

**Foreign-source taxable income**—Gross income (less loss) less deductions from sources outside the United States, including U.S. possessions. It is included in the taxable income of U.S. corporations.

**General limitation income**—This separate limitation category contains all foreign income not included in any other separate limitation category.

**High withholding tax interest**—This separate limitation category includes interest income subject to a withholding tax of 5 percent or more, with the exception of interest received from the financing of certain export activities.

**Income resourced by bilateral tax treaty**—This separate limitation category includes certain U.S.-source income which has been subject to tax in another country pursuant to a bilateral income tax treaty. In order to appropriately relieve double taxation, these items of income are reclassified by a treaty provision as arising from foreign sources. A separate foreign tax credit limitation has to be computed for each amount resourced by a tax treaty.

**Interest charge domestic international sales corporation (IC-DISC)**—A corporation whose “qualified export receipts” constitute at least 95 percent of its gross receipts and which can classify at least 95 percent of its assets as “qualified export assets” can

claim IC-DISC status. A small portion of the IC-DISC’s income is deemed distributed to the shareholder. The rest is not subject to U.S. taxation until it is actually distributed, although interest on the tax must be paid annually.

**Passive income**—This separate limitation category is comprised of dividends, interest (except interest subject to a high withholding tax—see above), rents, royalties, annuities, and net capital gains, as well as commodity transactions not connected with the active conduct of a trade or business. Passive income subject to a foreign tax rate that exceeds the highest applicable U.S. tax rate is excluded from this separate limitation category and included in general limitation income.

**Section 901(j) income**—This separate limitation category includes income and taxes paid to countries sanctioned by the United States. Internal Revenue Code section 901(j) denies credit for taxes paid or accrued to these countries. For 2005, countries subject to these restrictions included Cuba, Iran, Libya, North Korea, Sudan, and Syria. A separate limitation credit is computed for each section 901(j) country for informational purposes.

**Shipping income**—This separate limitation category applies to certain income from shipping-related activities. It includes the following: (1) all income from the use (or leasing for use) of a vessel or aircraft in foreign commerce, (2) income from services directly related to the use of a vessel or aircraft, (3) gains on the sale or exchange of a vessel or aircraft used in the performance of such services, and (4) income generated from other space and oceanic activities not included elsewhere.

**Specifically allocable income**—Internal Revenue Code section 863 provides special rules for determining taxable income from sources outside the United States with respect to gross income derived partly from within and partly from outside the United States.

**Tax deemed paid**—See dividend gross-up.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends qualifying for the one time deduction	Dividends received from IC-DISCs or former DISCs [1]	Includable income of controlled foreign corporations
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All industries</b>	<b>5,837</b>	<b>31,194,533,974</b>	<b>8,982,340,529</b>	<b>64,469,989</b>	<b>277,307,509</b>	<b>19,158</b>	<b>58,522,229</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>150</b>	<b>5,338,015</b>	<b>2,951,245</b>	<b>4,677</b>	<b>121,733</b>	<b>0</b>	<b>53</b>
<b>Mining</b>	<b>127</b>	<b>189,549,013</b>	<b>122,082,412</b>	<b>4,494,376</b>	<b>1,373,634</b>	<b>0</b>	<b>973,680</b>
Oil and gas extraction, coal mining	90	110,955,588	80,163,139	3,349,417	1,321,109	0	106,875
Metal ore mining	*9	*42,844,162	*20,645,144	*1,131,499	*37,695	*0	*539,668
Nonmetallic minerals	10	10,186,638	7,103,905	9,945	14,830	0	64
Support activities for mining	18	25,562,625	14,170,224	3,514	0	0	327,072
<b>Utilities</b>	<b>12</b>	<b>65,241,353</b>	<b>36,624,437</b>	<b>93,239</b>	<b>136,073</b>	<b>0</b>	<b>19,722</b>
<b>Construction</b>	<b>336</b>	<b>46,085,822</b>	<b>59,781,941</b>	<b>130,008</b>	<b>44,370</b>	<b>0</b>	<b>55,677</b>
Construction of buildings	45	32,437,638	42,027,510	124,924	0	0	1,458
Heavy and civil engineering construction	130	11,068,680	12,921,727	2,548	41,406	0	54,189
Special trade contractors	160	2,579,505	4,832,705	2,537	2,965	0	30
<b>Manufacturing</b>	<b>1,267</b>	<b>7,902,868,161</b>	<b>4,284,340,032</b>	<b>43,340,560</b>	<b>236,309,929</b>	<b>8,289</b>	<b>42,851,536</b>
Food manufacturing	76	502,314,755	241,469,616	3,945,682	16,157,889	162	3,621,148
Beverage and tobacco products	18	93,218,615	79,600,062	1,806,518	6,713,825	0	327,698
Tobacco manufacturing	*5	*19,929,333	*15,928,222	*7,148	*168,935	*0	*594
Textile mills and textile product mills	*5	*1,267,280	*1,007,193	*58,191	*25,463	*0	*17,895
Apparel manufacturing	13	14,904,079	18,484,851	78,361	173,330	0	42,542
Leather and allied product manufacturing	11	2,407,119	3,157,499	39,442	41,185	0	9,162
Wood product manufacturing	24	104,681,518	29,244,674	11,375	1,160,423	0	68,726
Paper manufacturing	23	103,814,515	68,523,698	1,159,907	4,698,216	409	417,847
Printing and related support activities	17	8,191,421	7,820,249	12,129	142,586	0	8,308
Petroleum and coal products manufacturing	19	1,725,376,215	1,154,673,816	9,793,764	339,789	0	11,806,681
Chemical manufacturing	155	1,337,949,387	661,396,968	9,214,108	117,534,458	764	10,057,897
Pharmaceutical and medicine manufacturing	47	846,158,972	370,807,736	4,480,226	97,429,850	0	5,986,143
Other chemical manufacturing	108	491,790,415	290,589,231	4,733,882	20,104,607	764	4,071,754
Plastics and rubber products manufacturing	50	26,008,531	20,070,664	97,947	599,094	0	68,137
Nonmetallic mineral product manufacturing	52	47,391,058	35,716,849	80,763	1,306,239	0	20,779
Primary metal manufacturing	48	144,920,096	77,545,772	343,182	430,521	74	320,834
Fabricated metal products	83	212,303,267	88,635,862	810,016	4,435,952	850	294,247
Machinery manufacturing	178	286,247,154	206,308,877	2,008,554	4,440,174	1,439	1,345,082
Computer and electronic product manufacturing	212	433,897,916	457,182,928	5,537,353	54,670,405	686	6,928,889
Electrical equipment, appliance and component manufacturing	85	1,311,326,207	228,374,966	3,319,787	3,974,711	2,114	2,481,542
Transportation equipment manufacturing	88	1,393,402,420	778,049,717	3,746,323	9,340,113	0	3,737,043
Motor vehicles and related manufacturing	58	1,120,118,665	528,317,526	3,106,868	5,661,616	0	3,046,027
Other transportation equipment manufacturing	30	273,283,755	249,732,190	639,455	3,678,497	0	691,016
Furniture and related products	21	22,194,307	24,513,379	98,610	50,181	0	13,691
Miscellaneous manufacturing and manufacturing not allocable	89	131,052,301	102,562,392	1,178,546	10,075,376	1,792	1,263,389
<b>Wholesale and retail trade</b>	<b>635</b>	<b>1,124,235,402</b>	<b>1,439,553,132</b>	<b>3,366,477</b>	<b>11,108,428</b>	<b>144</b>	<b>3,478,279</b>
Wholesale trade	453	674,326,678	629,001,296	2,638,556	7,488,469	131	2,282,816
Durable goods	281	131,322,252	207,755,689	462,314	4,371,188	131	451,107
Machinery, equipment, and supplies	80	11,377,541	19,374,345	10,103	63,075	0	1,008
Other miscellaneous durable goods	201	119,944,711	188,381,344	452,211	4,308,113	131	450,099
Nondurable goods	172	543,004,426	421,245,607	2,176,243	3,117,281	0	1,831,709
Drugs, chemicals, and allied products	41	71,476,556	166,503,561	242,088	1,204,243	0	332,985
Groceries and related products	12	324,140,443	78,473,454	227,205	762	0	79,809
Petroleum and petroleum products	13	52,663,514	73,944,419	434,442	607,791	0	536,624
Other miscellaneous nondurable goods	105	94,723,913	102,324,173	1,272,508	1,304,486	0	882,291

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Number of returns	Total assets	Total receipts	Dividends received from foreign corporations	Dividends qualifying for the one time deduction	Dividends received from IC-DISCs or former DISCs [1]	Includable income of controlled foreign corporations
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Retail trade</b>	<b>182</b>	<b>449,908,724</b>	<b>810,551,836</b>	<b>727,920</b>	<b>3,619,959</b>	<b>12</b>	<b>1,195,463</b>
Motor vehicle, parts dealers, and gas stations	20	9,196,967	25,987,853	6,176	0	0	108,990
Furniture and home furnishings stores	*4	*6,372,928	*10,488,594	*3,218	*24,200	*0	*0
Building materials, garden equipment, and supplies	28	77,461,449	78,429,249	1,001	0	12	254,083
Food and beverages stores	13	14,986,497	39,627,754	296,755	500,000	0	157,580
Apparel and accessory stores	26	44,734,034	76,290,704	124,396	1,106,751	0	403,089
General merchandise stores	*9	*219,025,449	*420,740,444	*111,967	*500,000	*0	*234,132
Miscellaneous retail trade	83	78,131,400	158,987,238	184,406	1,489,008	0	37,589
<b>Transportation and warehousing</b>	<b>78</b>	<b>174,899,344</b>	<b>162,282,056</b>	<b>163,514</b>	<b>670,572</b>	<b>0</b>	<b>210,845</b>
Air, rail, and water transportation	13	86,152,278	38,431,440	72,719	402,018	0	67,628
Water transportation	*6	*8,472,903	*6,480,823	*22,074	*291,683	*0	*45,043
Air and rail transportation	*7	*77,679,375	*31,950,617	*50,646	*110,335	*0	*22,584
Other transportation and warehousing	65	88,747,066	123,850,616	90,795	268,554	0	143,217
<b>Information</b>	<b>327</b>	<b>823,447,580</b>	<b>352,612,417</b>	<b>2,267,450</b>	<b>5,697,682</b>	<b>0</b>	<b>1,905,365</b>
Publishing (except internet), motion picture, and sound recording	190	221,033,423	136,501,550	1,431,278	5,011,693	0	1,165,635
Broadcasting, internet publishing	53	147,385,939	66,745,738	299,629	296,245	0	277,738
Telecommunications	36	362,726,445	119,689,254	312,163	86,858	0	33,857
Internet service providers, web search portals, and data processing services	*6	*79,236,662	*23,801,308	*196,050	*238,878	*0	*405,249
Other information services	43	13,065,109	5,874,567	28,330	64,007	0	22,885
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>1,063</b>	<b>10,628,883,006</b>	<b>1,582,270,882</b>	<b>5,180,602</b>	<b>9,226,706</b>	<b>607</b>	<b>5,538,007</b>
Finance and insurance	601	10,604,472,943	1,570,589,455	5,151,255	8,921,818	607	5,510,818
Commercial banking and other depository credit agencies	25	370,034,932	34,052,926	217,084	0	0	74,931
Nondepository credit intermediation	31	347,616,603	61,010,952	228,861	0	0	295,128
Securities, commodity contracts, and other	147	4,179,942,278	291,108,582	1,574,027	6,247,579	607	1,984,517
Insurance and related activities	322	5,662,626,119	1,182,154,819	3,089,046	2,674,240	0	3,080,653
Insurance agencies and brokerages	27	74,670,113	20,283,279	613,206	741,991	0	201,421
Funds, trusts, and other financial vehicles	76	44,253,011	2,262,176	42,237	0	0	75,591
Real estate and rental and leasing	461	24,410,063	11,681,427	29,346	304,888	0	27,189
Real estate	335	9,359,689	3,604,939	26,348	0	0	26,274
Rentals and leasing	127	15,050,374	8,076,488	2,999	304,888	0	915
<b>Services</b>	<b>1,842</b>	<b>10,233,986,279</b>	<b>939,841,973</b>	<b>5,429,086</b>	<b>12,618,382</b>	<b>10,118</b>	<b>3,489,066</b>
Professional, scientific, and technical services	678	163,477,845	117,594,293	283,684	1,850,099	1	388,968
Management of holding companies	963	9,741,884,713	618,895,515	4,290,492	6,730,886	4	2,905,963
Administrative and support and waste management and remediation	63	55,708,757	42,011,881	155,697	94,222	0	74,714
Education services, health care, and social assistance	38	55,374,923	34,957,707	65,758	168,101	0	3,280
Arts, entertainment, and recreation	28	7,815,761	4,568,429	5,535	1,717	10,113	0
Accommodation and food services	51	204,161,442	116,771,519	594,132	3,770,685	0	113,764
Accommodation	18	124,024,187	40,684,976	159,807	107,222	0	69,317
Food services and drinking places	33	80,137,255	76,086,543	434,325	3,663,463	0	44,447
Other services	22	5,562,838	5,042,630	33,787	* 2,673	0	2,377
Repair and maintenance services	14	607,305	736,164	465	0	0	675
Personal services	*5	*4,881,770	*4,212,340	*33,319	*0	*0	*1,702
Religious, grantmaking, civic, professional, and similar organizations	*3	*73,763	*94,126	*3	*2,673	*0	*0

Footnotes at end of table.



# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign dividend income from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed
				Total [3]	Regular and alternative minimum tax	
	(8)	(9)	(10)	(11)	(12)	(13)
<b>All industries</b>	<b>56,376,158</b>	<b>1,062,226,848</b>	<b>792,789,034</b>	<b>278,171,235</b>	<b>278,147,860</b>	<b>84,210,634</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>3,815</b>	<b>482,792</b>	<b>351,909</b>	<b>122,236</b>	<b>122,236</b>	<b>9,332</b>
<b>Mining</b>	<b>2,158,290</b>	<b>30,426,793</b>	<b>27,241,271</b>	<b>9,758,110</b>	<b>9,758,041</b>	<b>4,453,874</b>
Oil and gas extraction, coal mining	1,563,824	19,045,821	17,441,547	6,103,678	6,103,678	2,228,484
Metal ore mining	*439,583	*7,610,445	*6,450,284	*2,482,368	*2,482,368	*2,030,357
Nonmetallic minerals	5,500	727,229	724,490	253,497	253,497	7,387
Support activities for mining	149,383	3,043,298	2,624,950	918,568	918,499	187,646
<b>Utilities</b>	<b>49,562</b>	<b>79,952</b>	<b>1,550,192</b>	<b>542,857</b>	<b>542,488</b>	<b>92,705</b>
<b>Construction</b>	<b>54,759</b>	<b>4,609,558</b>	<b>4,465,278</b>	<b>1,560,591</b>	<b>1,559,189</b>	<b>93,551</b>
Construction of buildings	51,860	3,110,351	3,105,403	1,087,119	1,086,076	54,335
Heavy and civil engineering construction	2,123	1,174,956	1,051,266	367,060	367,043	34,222
Special trade contractors	776	324,250	308,609	106,411	106,071	4,994
<b>Manufacturing</b>	<b>41,347,454</b>	<b>597,460,932</b>	<b>382,653,958</b>	<b>134,050,216</b>	<b>134,032,590</b>	<b>58,219,536</b>
Food manufacturing	2,814,953	40,709,755	26,792,961	9,376,934	9,376,719	3,422,361
Beverage and tobacco products	995,734	18,136,272	12,112,393	4,239,282	4,239,282	1,241,156
Tobacco manufacturing	*3,230	*2,595,003	*2,255,031	*789,261	*789,261	*12,652
Textile mills and textile product mills	*35,248	*227,328	*138,581	*48,356	*48,356	*40,636
Apparel manufacturing	60,708	1,841,160	1,547,614	541,389	541,389	75,565
Leather and allied product manufacturing	17,571	271,099	235,342	82,095	82,095	15,647
Wood product manufacturing	74,491	2,332,867	1,340,990	469,154	469,154	48,000
Paper manufacturing	922,854	12,691,022	8,696,350	3,040,321	3,040,428	1,093,460
Printing and related support activities	14,611	681,301	534,012	186,636	186,636	17,826
Petroleum and coal products manufacturing	10,632,053	119,084,160	118,409,336	41,446,337	41,442,908	24,741,352
Chemical manufacturing	10,779,238	184,401,854	80,992,425	28,364,209	28,363,716	12,132,883
Pharmaceutical and medicine manufacturing	5,925,837	135,087,927	50,739,468	17,760,256	17,760,155	6,653,668
Other chemical manufacturing	4,853,401	49,313,928	30,252,957	10,603,953	10,603,561	5,479,216
Plastics and rubber products manufacturing	103,761	1,539,421	989,960	348,435	348,332	106,167
Nonmetallic mineral product manufacturing	117,742	3,982,008	2,598,695	933,416	933,375	99,232
Primary metal manufacturing	267,499	5,809,557	4,830,122	1,702,243	1,702,243	672,492
Fabricated metal products	562,521	12,348,796	8,361,396	2,923,972	2,924,457	792,784
Machinery manufacturing	1,600,826	20,814,096	16,207,356	5,675,589	5,673,916	1,956,945
Computer and electronic product manufacturing	6,955,758	93,309,931	43,499,749	15,252,236	15,251,140	4,939,380
Electrical equipment, appliance and component manufacturing	1,397,960	13,893,675	10,422,577	3,650,037	3,650,032	2,387,933
Transportation equipment manufacturing	2,983,588	42,787,647	31,712,831	11,143,132	11,129,519	3,189,529
Motor vehicles and related manufacturing	2,338,336	26,609,392	20,397,231	7,148,242	7,139,374	2,320,327
Other transportation equipment manufacturing	645,252	16,178,255	11,315,600	3,994,891	3,990,145	869,203
Furniture and related products	86,873	1,824,796	1,765,956	615,136	617,783	67,740
Miscellaneous manufacturing and manufacturing not allocable	923,466	20,774,188	11,465,312	4,011,307	4,011,111	1,178,447
<b>Wholesale and retail trade</b>	<b>2,891,277</b>	<b>86,710,275</b>	<b>75,076,890</b>	<b>26,275,097</b>	<b>26,267,772</b>	<b>3,326,230</b>
Wholesale trade	2,166,211	36,483,543	28,657,713	10,028,054	10,026,502	2,363,588
Durable goods	418,528	11,054,241	7,211,666	2,523,681	2,523,611	444,413
Machinery, equipment, and supplies	3,414	1,376,644	1,307,178	458,372	455,828	14,812
Other miscellaneous durable goods	415,114	9,677,597	5,904,488	2,065,308	2,067,783	429,601
Nondurable goods	1,747,683	25,429,329	21,446,047	7,504,373	7,502,891	1,919,175
Drugs, chemicals, and allied products	237,788	5,016,629	3,848,178	1,346,593	1,346,317	367,150
Groceries and related products	76,312	6,281,063	5,456,841	1,910,000	1,909,595	101,037
Petroleum and petroleum products	621,818	6,123,730	5,304,769	1,856,729	1,856,729	526,014
Other miscellaneous nondurable goods	811,765	8,007,880	6,836,259	2,391,050	2,390,250	924,974

Footnotes at end of table.



# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign dividend income from foreign taxes deemed paid (gross-up)	Net income (less deficit)	Income subject to U.S. tax	U.S. income tax before credits		Foreign tax credit claimed
				Total [3]	Regular and alternative minimum tax	
	(8)	(9)	(10)	(11)	(12)	(13)
Retail trade	725,066	50,226,731	46,419,177	16,247,043	16,241,270	962,642
Motor vehicle, parts dealers, and gas stations	53,721	914,318	911,948	318,554	318,834	62,874
Furniture and home furnishings stores	*2,547	*913,629	*917,091	*320,852	*320,852	*3,723
Building materials, garden equipment, and supplies	136,906	9,599,179	9,597,522	3,359,245	3,359,245	178,206
Food and beverages stores	27,293	1,197,636	659,074	230,407	230,407	12,148
Apparel and accessory stores	148,886	7,574,298	6,526,656	2,279,570	2,279,570	254,187
General merchandise stores	*238,111	*20,213,652	*19,186,017	*6,721,141	*6,715,089	*299,968
Miscellaneous retail trade	117,603	9,814,019	8,620,869	3,017,274	3,017,274	151,536
<b>Transportation and warehousing</b>	<b>157,390</b>	<b>13,607,688</b>	<b>12,669,538</b>	<b>4,435,761</b>	<b>4,435,346</b>	<b>357,782</b>
Air, rail, and water transportation	39,054	3,746,928	3,065,631	1,075,324	1,075,204	120,932
Water transportation	*19,796	*741,532	*237,036	*85,316	*85,196	*42,962
Air and rail transportation	*19,258	*3,005,396	*2,828,595	*990,008	*990,008	*77,970
Other transportation and warehousing	118,336	9,860,760	9,603,908	3,360,437	3,360,142	236,850
<b>Information</b>	<b>1,624,951</b>	<b>50,606,618</b>	<b>43,871,452</b>	<b>15,376,713</b>	<b>15,386,924</b>	<b>2,852,903</b>
Publishing (except internet), motion picture, and sound recording	808,944	32,460,630	26,565,652	9,321,873	9,332,156	1,947,960
Broadcasting, internet publishing	262,033	6,378,909	6,266,569	2,192,767	2,192,736	445,439
Telecommunications	92,544	7,280,023	6,951,440	2,431,190	2,431,150	158,583
Internet service providers, web search portals, and data processing services	*439,793	*3,365,811	*3,136,719	*1,097,883	*1,097,883	*270,229
Other information services	21,637	1,121,246	951,073	332,999	332,999	30,693
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>3,121,878</b>	<b>131,795,878</b>	<b>112,816,498</b>	<b>39,793,210</b>	<b>39,824,651</b>	<b>6,645,313</b>
Finance and insurance	3,104,579	129,799,738	111,218,986	39,237,887	39,269,433	6,605,187
Commercial banking and other depository credit agencies	16	3,992,392	3,716,518	1,299,779	1,299,779	166,184
Nondepository credit intermediation	107,138	6,874,411	6,747,363	2,361,693	2,361,245	263,356
Securities, commodity contracts, and other	1,523,070	37,016,743	30,472,415	10,671,929	10,671,849	2,512,239
Insurance and related activities	1,387,427	80,565,983	68,944,156	24,436,570	24,468,644	3,259,672
Insurance agencies and brokerages	400,814	3,557,997	2,856,391	999,417	999,352	464,069
Funds, trusts, and other financial vehicles	86,927	1,350,207	1,338,534	467,917	467,917	403,737
Real estate and rental and leasing	17,298	1,996,141	1,597,511	555,323	555,218	40,126
Real estate	16,433	800,069	724,086	250,707	250,602	26,015
Rentals and leasing	865	1,196,071	873,426	304,616	304,616	14,112
<b>Services</b>	<b>4,966,780</b>	<b>146,446,363</b>	<b>132,092,047</b>	<b>46,256,444</b>	<b>46,218,622</b>	<b>8,159,408</b>
Professional, scientific, and technical services	220,026	9,778,028	7,684,005	2,687,960	2,686,360	462,467
Management of holding companies	4,106,823	109,044,906	101,534,232	35,561,846	35,530,483	6,590,630
Administrative and support and waste management and remediation	122,554	6,131,469	5,712,761	1,998,177	1,998,177	168,733
Education services, health care, and social assistance	17,758	4,563,380	4,359,228	1,524,410	1,524,410	25,635
Arts, entertainment, and recreation	3,333	635,753	558,782	195,232	195,232	49,910
Accommodation and food services	477,255	15,855,729	11,828,525	4,143,998	4,139,139	835,982
Accommodation	92,482	4,502,927	4,388,368	1,540,510	1,535,654	139,058
Food services and drinking places	384,773	11,352,802	7,440,157	2,603,489	2,603,485	696,924
Other services	19,032	437,098	414,514	144,822	144,822	26,050
Repair and maintenance services	647	42,719	29,843	10,207	10,207	1,281
Personal services	*18,385	*390,203	*382,745	*133,960	*133,960	*24,685
Religious, grantmaking, civic, professional, and similar organizations	*0	*4,176	*1,926	*655	*655	*85

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	U.S. possessions tax credit	General business credit	U.S. income tax after credits [4]	Foreign income and taxes		
				Gross income (less loss)		
				Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)
	(14)	(15)	(16)	(17)	(18)	(19)
<b>All industries</b>	<b>311,976</b>	<b>9,596,890</b>	<b>177,025,748</b>	<b>914,741,013</b>	<b>397,776,032</b>	<b>60,552,267</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>22</b>	<b>1,690</b>	<b>110,960</b>	<b>239,515</b>	<b>126,600</b>	<b>3,815</b>
<b>Mining</b>	<b>0</b>	<b>88,750</b>	<b>5,040,979</b>	<b>21,117,992</b>	<b>6,735,164</b>	<b>2,262,503</b>
Oil and gas extraction, coal mining	0	66,194	3,720,011	10,262,755	4,713,603	1,665,854
Metal ore mining	*0	*6,656	*391,474	*9,339,492	*1,667,243	*439,583
Nonmetallic minerals	0	834	237,853	85,259	23,730	7,683
Support activities for mining	0	15,066	691,640	1,430,486	330,587	149,383
<b>Utilities</b>	<b>0</b>	<b>167</b>	<b>308,432</b>	<b>893,292</b>	<b>247,300</b>	<b>53,250</b>
<b>Construction</b>	<b>0</b>	<b>3,141</b>	<b>1,341,686</b>	<b>782,759</b>	<b>229,284</b>	<b>63,507</b>
Construction of buildings	0	201	911,916	269,718	126,410	51,860
Heavy and civil engineering construction	0	1,966	330,233	426,355	97,325	10,871
Special trade contractors	0	974	99,536	86,686	5,548	776
<b>Manufacturing</b>	<b>304,310</b>	<b>5,060,336</b>	<b>67,431,552</b>	<b>582,378,386</b>	<b>320,541,406</b>	<b>44,442,264</b>
Food manufacturing	2,234	106,694	5,724,538	33,798,765	23,611,097	3,168,136
Beverage and tobacco products	79,349	11,001	2,905,979	14,786,764	8,841,982	997,071
Tobacco manufacturing	*4,659	*780	*769,697	*934,300	*176,081	*3,230
Textile mills and textile product mills	*0	*557	*6,838	*169,423	*101,505	*35,248
Apparel manufacturing	0	802	465,022	588,876	293,073	79,578
Leather and allied product manufacturing	641	1,704	64,103	239,681	89,789	25,254
Wood product manufacturing	0	1,654	392,605	1,369,328	1,224,756	74,491
Paper manufacturing	0	46,574	1,683,617	9,910,468	6,275,955	1,091,101
Printing and related support activities	0	1,696	166,398	338,089	162,868	15,421
Petroleum and coal products manufacturing	0	620,516	15,539,090	91,425,733	21,926,880	10,631,543
Chemical manufacturing	187,356	1,023,461	14,812,647	188,700,917	136,484,565	12,410,170
Pharmaceutical and medicine manufacturing	185,853	833,829	9,963,730	140,813,796	107,487,360	6,830,540
Other chemical manufacturing	1,504	189,633	4,848,917	47,887,121	28,997,205	5,579,630
Plastics and rubber products manufacturing	215	10,898	225,973	1,297,101	764,807	180,707
Nonmetallic mineral product manufacturing	0	6,392	799,406	1,825,346	1,407,400	117,742
Primary metal manufacturing	0	5,841	935,266	5,129,848	1,087,708	275,520
Fabricated metal products	0	72,377	2,026,707	9,477,282	5,346,708	787,008
Machinery manufacturing	0	269,482	3,366,939	17,667,149	7,682,254	1,737,733
Computer and electronic product manufacturing	0	980,409	8,268,755	119,736,571	65,126,422	7,217,756
Electrical equipment, appliance and component manufacturing	34,516	75,205	938,038	24,864,191	10,756,808	1,497,562
Transportation equipment manufacturing	0	1,612,626	6,049,480	40,463,757	16,684,430	3,013,365
Motor vehicles and related manufacturing	0	1,310,715	3,331,650	31,106,741	11,636,076	2,314,525
Other transportation equipment manufacturing	0	301,910	2,717,830	9,357,016	5,048,353	698,840
Furniture and related products	0	12,858	531,236	392,914	162,529	88,999
Miscellaneous manufacturing and manufacturing not allocable	0	199,588	2,528,914	20,196,184	12,509,871	997,857
<b>Wholesale and retail trade</b>	<b>3,307</b>	<b>427,337</b>	<b>22,389,917</b>	<b>37,644,808</b>	<b>17,860,826</b>	<b>3,477,378</b>
Wholesale trade	0	241,243	7,345,784	27,148,622	12,353,108	2,576,676
Durable goods	0	31,845	2,007,215	10,746,159	5,272,290	784,377
Machinery, equipment, and supplies	0	669	441,460	408,727	76,086	6,174
Other miscellaneous durable goods	0	31,176	1,565,755	10,337,432	5,196,203	778,202
Nondurable goods	0	209,398	5,338,569	16,402,462	7,080,819	1,792,299
Drugs, chemicals, and allied products	0	117,468	850,842	4,606,251	1,778,134	237,145
Groceries and related products	0	31,845	1,777,118	2,277,111	307,774	76,312
Petroleum and petroleum products	0	33,828	1,277,533	2,534,899	1,578,857	628,758
Other miscellaneous nondurable goods	0	26,256	1,433,076	6,984,201	3,416,053	850,084

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	U.S. possessions tax credit	General business credit	U.S. income tax after credits [4]	Foreign income and taxes		
				Gross income (less loss)		
				Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)
	(14)	(15)	(16)	(17)	(18)	(19)
Retail trade	3,307	186,094	15,044,132	10,496,186	5,507,718	900,702
Motor vehicle, parts dealers, and gas stations	0	4,015	239,606	225,209	115,179	53,721
Furniture and home furnishings stores	*0	*1,352	*315,777	*117,982	*27,416	*2,547
Building materials, garden equipment, and supplies	0	6,397	3,174,642	596,648	255,107	136,906
Food and beverages stores	0	4,079	202,930	1,068,136	954,335	45,628
Apparel and accessory stores	0	19,208	1,981,726	2,660,867	1,608,261	188,862
General merchandise stores	*3,307	*116,467	*6,301,400	*2,907,391	*840,732	*348,023
Miscellaneous retail trade	0	34,576	2,828,051	2,919,953	1,706,688	125,016
<b>Transportation and warehousing</b>	<b>0</b>	<b>55,999</b>	<b>3,800,488</b>	<b>15,893,694</b>	<b>977,643</b>	<b>177,195</b>
Air, rail, and water transportation	0	2,577	733,507	1,944,715	498,976	39,054
Water transportation	*0	*129	*40,925	*1,441,352	*320,079	*19,796
Air and rail transportation	*0	*2,449	*692,582	*503,364	*178,897	*19,258
Other transportation and warehousing	0	53,421	3,066,981	13,948,978	478,668	138,140
<b>Information</b>	<b>0</b>	<b>325,823</b>	<b>12,018,017</b>	<b>45,865,657</b>	<b>9,810,117</b>	<b>1,603,509</b>
Publishing (except internet), motion picture, and sound recording	0	179,178	7,162,306	32,204,036	7,550,717	749,887
Broadcasting, internet publishing	0	5,269	1,741,833	6,340,721	861,680	299,665
Telecommunications	0	126,083	1,999,235	3,993,106	447,556	92,551
Internet service providers, web search portals, and data processing services	*0	*11,185	*816,444	*2,776,510	*834,941	*439,768
Other information services	0	4,107	298,199	551,285	115,222	21,637
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>4</b>	<b>1,170,733</b>	<b>29,604,160</b>	<b>101,443,988</b>	<b>19,701,444</b>	<b>3,360,772</b>
Finance and insurance	4	1,167,350	29,115,010	100,594,558	19,343,418	3,343,476
Commercial banking and other depository credit agencies	0	76,083	1,014,485	807,921	291,786	16
Nondepository credit intermediation	0	98,331	1,997,149	8,829,349	443,970	107,138
Securities, commodity contracts, and other	0	267,622	7,205,743	41,158,297	9,716,340	1,644,026
Insurance and related activities	4	716,304	18,843,783	47,750,891	8,773,428	1,505,368
Insurance agencies and brokerages	0	792	507,020	3,196,839	1,552,300	400,887
Funds, trusts, and other financial vehicles	0	9,010	53,850	2,048,100	117,893	86,927
Real estate and rental and leasing	0	3,383	489,150	849,430	358,026	17,296
Real estate	0	522	221,824	198,542	48,104	16,433
Rentals and leasing	0	2,861	267,326	650,888	309,922	863
<b>Services</b>	<b>4,332</b>	<b>2,462,915</b>	<b>34,979,558</b>	<b>108,480,924</b>	<b>21,546,249</b>	<b>5,108,074</b>
Professional, scientific, and technical services	0	163,289	2,023,258	12,172,238	2,495,558	256,565
Management of holding companies	0	1,994,755	26,549,352	81,316,820	14,012,119	4,187,633
Administrative and support and waste management and remediation	0	34,669	1,764,363	2,792,236	314,738	145,516
Education services, health care, and social assistance	0	21,069	1,477,703	467,410	236,923	17,758
Arts, entertainment, and recreation	0	9,759	128,787	747,082	7,270	3,333
Accommodation and food services	4,332	235,615	2,921,122	10,708,554	4,443,374	478,236
Accommodation	725	69,693	1,197,362	2,187,619	301,624	92,321
Food services and drinking places	3,606	165,922	1,723,760	8,520,934	4,141,750	385,915
Other services	0	3,759	114,971	276,583	36,269	19,032
Repair and maintenance services	0	72	8,845	14,717	1,141	647
Personal services	*0	*3,687	*105,556	*260,518	*35,021	*18,385
Religious, grantmaking, civic, professional, and similar organizations	*0	*0	*570	*1,348	*107	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						
	Gross income (less loss)—continued						Deductions
	Interest	Rents, royalties, and license fees	Service income	Other income	Oil and gas extraction income [5]	Foreign branch income [5]	Total
	(20)	(21)	(22)	(23)	(24)	(25)	(26)
All industries	84,522,193	98,517,129	28,708,344	244,665,047	67,647,545	122,056,453	512,833,409
Agriculture, forestry, fishing, and hunting	4,462	10,646	17,118	76,874	0	4,170	186,095
Mining	403,256	265,971	829,862	10,621,236	6,635,893	1,699,467	6,049,651
Oil and gas extraction, coal mining	84,798	39,241	158,755	3,600,504	6,635,893	876,962	2,487,494
Metal ore mining	*264,470	*76,890	*116,040	*6,775,265	*0	*248,711	*2,765,116
Nonmetallic minerals	6,349	1,570	16,353	29,574	0	42,314	57,621
Support activities for mining	47,639	148,270	538,714	215,892	0	531,480	739,420
Utilities	8,486	0	48,940	535,316	501,424	650,806	431,886
Construction	7,633	49,085	237,201	196,049	0	128,851	316,742
Construction of buildings	30	29,853	48,546	13,018	0	9,616	70,545
Heavy and civil engineering construction	7,300	16,188	155,799	138,871	0	88,855	180,843
Special trade contractors	303	3,044	32,855	44,160	0	30,380	65,354
Manufacturing	11,004,385	57,206,732	4,780,776	144,402,823	58,243,501	36,909,215	310,333,950
Food manufacturing	744,621	1,313,383	111,350	4,850,177	0	1,927,391	19,821,532
Beverage and tobacco products	202,906	1,759,352	361,356	2,624,096	0	1,539,518	3,764,121
Tobacco manufacturing	*7,756	*101,086	*0	*646,147	*0	*316,732	*597,226
Textile mills and textile product mills	*690	*20,789	*345	*10,846	*0	*3,067	*47,787
Apparel manufacturing	27,947	151,572	1,849	34,856	0	23,115	127,625
Leather and allied product manufacturing	541	54,131	50,469	19,498	0	48,003	75,773
Wood product manufacturing	29,735	21,151	1,416	17,779	0	64,646	1,113,288
Paper manufacturing	157,002	716,172	948	1,669,291	0	1,033,338	4,299,004
Printing and related support activities	1,725	15,745	28,577	113,753	0	85,795	244,487
Petroleum and coal products manufacturing	2,382,619	343,366	315	56,141,009	58,243,501	10,060,569	19,046,870
Chemical manufacturing	894,116	17,078,337	776,054	21,057,676	0	7,271,875	118,990,266
Pharmaceutical and medicine manufacturing	527,285	12,431,900	485,325	13,051,386	0	4,275,786	91,471,872
Other chemical manufacturing	366,831	4,646,437	290,729	8,006,289	0	2,996,089	27,518,394
Plastics and rubber products manufacturing	17,729	155,360	4,621	173,876	0	34,850	675,526
Nonmetallic mineral product manufacturing	61,872	27,167	49,280	161,884	0	103,948	1,206,929
Primary metal manufacturing	631,292	1,689,652	73,549	1,372,127	0	2,095,011	2,830,512
Fabricated metal products	163,091	598,142	91,036	2,491,297	0	1,729,225	6,060,402
Machinery manufacturing	494,908	2,057,529	340,138	5,354,586	0	2,627,880	9,083,765
Computer and electronic product manufacturing	841,833	17,404,698	2,283,809	26,862,053	0	5,060,670	72,694,326
Electrical equipment, appliance and component manufacturing	2,117,467	2,761,333	56,465	7,674,555	0	385,294	15,744,775
Transportation equipment manufacturing	2,086,007	8,165,191	483,679	10,031,085	0	1,586,513	21,546,335
Motor vehicles and related manufacturing	1,749,072	6,986,014	29,809	8,391,244	0	1,186,525	16,249,531
Other transportation equipment manufacturing	336,935	1,179,176	453,870	1,639,841	0	399,988	5,296,803
Furniture and related products	15,601	11,924	5,238	108,624	0	30,943	173,432
Miscellaneous manufacturing and manufacturing not allocable	132,684	2,861,737	60,281	3,633,753	0	1,197,563	12,787,195
Wholesale and retail trade	777,996	6,057,511	474,004	8,997,093	2,137,280	4,972,629	18,092,903
Wholesale trade	616,027	4,494,895	379,060	6,728,857	2,137,280	3,713,502	12,969,035
Durable goods	121,282	2,602,320	74,459	1,891,431	0	645,556	4,822,182
Machinery, equipment, and supplies	9,690	18,610	15,897	282,270	0	89,841	209,571
Other miscellaneous durable goods	111,592	2,583,710	58,562	1,609,161	0	555,715	4,612,610
Nondurable goods	494,744	1,892,575	304,601	4,837,425	2,137,280	3,067,946	8,146,853
Drugs, chemicals, and allied products	21,206	1,332,141	13,169	1,224,456	0	937,809	2,909,281
Groceries and related products	139,853	61,210	157,095	1,534,868	0	1,433,932	1,159,976
Petroleum and petroleum products	12,699	3,754	0	310,831	2,137,280	253,421	829,117
Other miscellaneous nondurable goods	320,987	495,470	134,336	1,767,271	0	442,784	3,248,480

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						
	Gross income (less loss)—continued						Deductions
	Interest	Rents, royalties, and license fees	Service income	Other income	Oil and gas extraction income [5]	Foreign branch income [5]	Total
	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Retail trade	161,970	1,562,616	94,944	2,268,236	0	1,259,127	5,123,868
Motor vehicle, parts dealers, and gas stations	27,651	5,153	1,795	21,711	0	7,722	15,755
Furniture and home furnishings stores	*1,112	*8,542	*69,938	*8,428	*0	*80,478	*94,869
Building materials, garden equipment, and supplies	33,541	156,665	0	14,429	0	12,161	68,776
Food and beverages stores	5,570	61,050	0	1,553	0	0	463,887
Apparel and accessory stores	26,684	391,089	2,555	443,416	0	194,714	1,324,974
General merchandise stores	*17,733	*735,809	*0	*965,095	*0	*617,395	*1,026,518
Miscellaneous retail trade	49,680	204,308	20,657	813,605	0	346,657	2,129,089
Transportation and warehousing	135,052	333,239	7,896,563	6,374,002	4,328	3,953,379	12,878,854
Air, rail, and water transportation	12,527	139,786	167,561	1,086,812	0	16,832	1,227,249
Water transportation	*1,307	*238	*112,898	*987,034	*0	*237	*960,945
Air and rail transportation	*11,220	*139,547	*54,663	*99,778	*0	*16,595	*266,304
Other transportation and warehousing	122,525	193,453	7,729,002	5,287,190	4,328	3,936,547	11,651,605
Information	675,579	22,926,289	2,033,527	8,816,637	0	6,201,829	25,940,623
Publishing (except internet), motion picture, and sound recording	372,710	17,174,890	150,366	6,205,466	0	5,415,396	15,777,515
Broadcasting, internet publishing	171,431	5,087,910	154,778	-234,744	0	32,191	4,700,771
Telecommunications	110,709	84,213	836,938	2,421,138	0	623,798	3,236,036
Internet service providers, web search portals, and data processing services	*20,430	*305,552	*887,355	*288,464	*0	*23,677	*1,870,035
Other information services	299	273,723	4,091	136,313	0	106,767	356,265
Finance, insurance, real estate, and rental and leasing	35,918,625	4,399,381	2,663,913	35,399,853	0	21,416,112	64,090,250
Finance and insurance	35,909,030	4,063,665	2,654,929	35,280,040	0	21,410,534	63,498,775
Commercial banking and other depository credit agencies	512,522	0	0	3,596	0	0	101,398
Nondepository credit intermediation	1,295,466	1,033,382	480,113	5,469,279	0	2,087,856	7,526,650
Securities, commodity contracts, and other	19,298,843	854,712	363,025	9,281,350	0	2,526,613	28,352,039
Insurance and related activities	13,080,706	2,175,687	1,799,682	20,416,020	0	16,796,066	26,740,231
Insurance agencies and brokerages	192,917	8,616	234,763	807,356	0	680,945	1,209,865
Funds, trusts, and other financial vehicles	1,721,493	-116	12,109	109,794	0	0	778,456
Real estate and rental and leasing	9,595	335,716	8,984	119,813	0	5,577	591,476
Real estate	7,540	40,507	738	85,220	0	0	84,291
Rentals and leasing	2,055	295,209	8,246	34,593	0	5,577	507,185
Services	35,586,719	7,268,274	9,726,441	29,245,165	125,119	46,119,997	74,512,455
Professional, scientific, and technical services	150,193	1,390,038	6,756,297	1,123,587	0	2,823,975	8,745,882
Management of holding companies	34,933,302	3,355,787	1,889,765	22,938,215	125,119	39,232,474	55,053,647
Administrative and support and waste management and remediation	45,949	358,366	517,179	1,410,489	0	596,291	1,973,089
Education services, health care, and social assistance	2,407	43,787	83,088	83,447	0	79,699	308,541
Arts, entertainment, and recreation	10,159	161,364	262,645	302,312	0	12,094	513,828
Accommodation and food services	436,127	1,888,001	208,744	3,254,072	0	3,252,097	7,750,600
Accommodation	153,784	363,460	189,730	1,086,700	0	1,018,749	1,606,768
Food services and drinking places	282,343	1,524,541	19,014	2,167,372	0	2,233,347	6,143,832
Other services	* 8,583	70,932	8,723	133,044	0	* 123,367	166,868
Repair and maintenance services	0	0	1,979	10,950	0	0	10,908
Personal services	*8,583	*69,702	*6,744	*122,082	*0	*123,367	*154,889
Religious, grantmaking, civic, professional, and similar organizations	*0	*1,230	*0	*12	*0	*0	*1,072

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						
	Deductions—continued						
	Definitely allocable deductions					Deductions not allocable to specific types of income	
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	Total [6]	Research and development
	(27)	(28)	(29)	(30)	(31)	(32)	(33)
<b>All industries</b>	<b>355,845,039</b>	<b>1,996,507</b>	<b>6,800,267</b>	<b>17,642,897</b>	<b>329,405,368</b>	<b>156,988,370</b>	<b>21,701,747</b>
<b>Agriculture, forestry, fishing, and hunting</b>	<b>153,634</b>	<b>451</b>	<b>0</b>	<b>10,279</b>	<b>142,904</b>	<b>32,461</b>	<b>0</b>
<b>Mining</b>	<b>4,989,917</b>	<b>135,892</b>	<b>259,001</b>	<b>397,672</b>	<b>4,197,351</b>	<b>1,059,734</b>	<b>5,805</b>
Oil and gas extraction, coal mining	2,144,822	20,636	22,415	40,344	2,061,427	342,672	441
Metal ore mining	*2,202,610	*91,113	*188,293	*634	*1,922,569	*562,506	*3,017
Nonmetallic minerals	45,727	0	2,275	10,619	32,833	11,894	1,498
Support activities for mining	596,758	24,143	46,018	346,075	180,521	142,662	850
<b>Utilities</b>	<b>290,900</b>	<b>1,451</b>	<b>3,916</b>	<b>14,059</b>	<b>271,474</b>	<b>140,986</b>	<b>134</b>
<b>Construction</b>	<b>270,305</b>	<b>306</b>	<b>773</b>	<b>139,587</b>	<b>129,638</b>	<b>46,437</b>	<b>404</b>
Construction of buildings	64,191	0	0	56,839	7,353	6,353	0
Heavy and civil engineering construction	141,442	306	773	53,083	87,280	39,401	0
Special trade contractors	64,671	0	0	29,666	35,005	683	404
<b>Manufacturing</b>	<b>244,821,284</b>	<b>484,751</b>	<b>745,427</b>	<b>784,635</b>	<b>242,806,471</b>	<b>65,512,667</b>	<b>19,681,327</b>
Food manufacturing	16,842,847	55	1,366	0	16,841,426	2,978,684	203,602
Beverage and tobacco products	1,980,873	2,227	1,017	1,967	1,975,662	1,783,248	7,113
Tobacco manufacturing	*544,640	*0	*1,017	*0	*543,623	*52,586	*5,034
Textile mills and textile product mills	*28,170	*0	*0	*0	*28,170	*19,617	*636
Apparel manufacturing	73,314	2,849	12,804	1,793	55,867	54,312	0
Leather and allied product manufacturing	63,286	0	34	63,252	0	12,487	6,230
Wood product manufacturing	984,570	0	0	846	983,724	128,718	544
Paper manufacturing	3,452,103	399	57	175	3,451,473	846,901	350,559
Printing and related support activities	189,724	0	0	26,840	162,885	54,763	1,611
Petroleum and coal products manufacturing	15,753,822	0	27	52	15,753,743	3,293,048	126,687
Chemical manufacturing	103,549,223	84,555	216,849	124,257	103,123,562	15,441,042	7,474,294
Pharmaceutical and medicine manufacturing	82,367,837	860	1,458	1,247	82,364,272	9,104,034	5,274,669
Other chemical manufacturing	21,181,386	83,694	215,391	123,010	20,759,291	6,337,008	2,199,625
Plastics and rubber products manufacturing	457,108	74	5,837	1,950	449,247	218,418	20,661
Nonmetallic mineral product manufacturing	1,120,383	18	0	5,996	1,114,368	86,546	4,532
Primary metal manufacturing	1,599,939	369,891	4,828	6,742	1,218,478	1,230,573	59,887
Fabricated metal products	5,212,085	4,170	220,068	67,059	4,920,788	848,317	100,407
Machinery manufacturing	5,045,465	9,843	28,347	207,488	4,799,787	4,038,300	917,066
Computer and electronic product manufacturing	54,679,781	878	129,597	206,111	54,343,194	18,014,546	8,461,855
Electrical equipment, appliance and component manufacturing	8,570,211	1,279	32,488	3,303	8,533,142	7,174,564	383,861
Transportation equipment manufacturing	14,579,103	3,020	34,472	29,357	14,512,254	6,967,231	967,337
Motor vehicles and related manufacturing	10,514,496	3,020	14,111	4,298	10,493,067	5,735,035	470,088
Other transportation equipment manufacturing	4,064,607	0	20,361	25,059	4,019,187	1,232,196	497,249
Furniture and related products	92,657	0	0	5,128	87,529	80,776	4,169
Miscellaneous manufacturing and manufacturing not allocable	10,546,619	5,494	57,636	32,319	10,451,171	2,240,575	590,274
<b>Wholesale and retail trade</b>	<b>14,181,960</b>	<b>58,638</b>	<b>948,992</b>	<b>198,197</b>	<b>12,976,132</b>	<b>3,910,943</b>	<b>151,797</b>
Wholesale trade	9,736,135	52,849	882,637	116,253	8,684,396	3,232,900	137,412
Durable goods	4,117,045	23,188	447,747	30,955	3,615,155	705,137	13,672
Machinery, equipment, and supplies	162,798	2,113	8,273	6,870	145,542	46,773	3,043
Other miscellaneous durable goods	3,954,247	21,075	439,474	24,084	3,469,613	658,364	10,629
Nondurable goods	5,619,090	29,661	434,890	85,299	5,069,241	2,527,763	123,740
Drugs, chemicals, and allied products	2,140,339	559	328,348	4,262	1,807,170	768,942	59,634
Groceries and related products	1,003,269	20,043	72,549	10,739	899,938	156,707	2,255
Petroleum and petroleum products	601,111	0	0	0	601,111	228,005	618
Other miscellaneous nondurable goods	1,874,371	9,058	33,993	70,297	1,761,022	1,374,109	61,233

Footnotes at end of table.



# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						
	Deductions—continued						
	Definitely allocable deductions					Deductions not allocable to specific types of income	
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	Total [6]	Research and development
	(27)	(28)	(29)	(30)	(31)	(32)	(33)
Retail trade	4,445,824	5,789	66,355	81,944	4,291,736	678,043	14,385
Motor vehicle, parts dealers, and gas stations	10,919	1,142	1,721	1,458	6,597	4,836	0
Furniture and home furnishings stores	*94,368	*2,323	*0	*64,452	*27,593	*501	*0
Building materials, garden equipment, and supplies	9,886	39	0	0	9,847	58,890	0
Food and beverages stores	432,140	0	6,917	0	425,222	31,747	0
Apparel and accessory stores	1,233,873	1,232	42,269	272	1,190,101	91,101	4,448
General merchandise stores	*792,516	*961	*2,774	*0	*788,780	*234,003	*0
Miscellaneous retail trade	1,872,124	93	12,674	15,762	1,843,595	256,966	9,937
<b>Transportation and warehousing</b>	<b>12,579,831</b>	<b>14,468</b>	<b>29,458</b>	<b>6,541,547</b>	<b>5,994,358</b>	<b>299,023</b>	<b>25,154</b>
Air, rail, and water transportation	1,140,472	11,463	19,804	7,976	1,101,229	86,777	345
Water transportation	*946,654	*0	*0	*400	*946,254	*14,292	*0
Air and rail transportation	*193,819	*11,463	*19,804	*7,577	*154,975	*72,485	*345
Other transportation and warehousing	11,439,359	3,005	9,654	6,533,571	4,893,129	212,246	24,809
<b>Information</b>	<b>17,921,532</b>	<b>61,490</b>	<b>3,336,150</b>	<b>1,709,685</b>	<b>12,814,206</b>	<b>8,019,091</b>	<b>1,499,214</b>
Publishing (except internet), motion picture, and sound recording	9,107,778	15,536	295,121	45,865	8,751,255	6,669,737	1,302,031
Broadcasting, internet publishing	3,954,112	45,537	3,021,958	99,358	787,259	746,659	2,038
Telecommunications	2,986,461	0	19,071	613,238	2,354,153	249,575	12,012
Internet service providers, web search portals, and data processing services	*1,615,706	*0	*0	*950,550	*665,156	*254,329	*173,754
Other information services	257,474	416	0	675	256,383	98,791	9,380
<b>Finance, insurance, real estate, and rental and leasing</b>	<b>29,243,475</b>	<b>324,993</b>	<b>591,515</b>	<b>1,740,111</b>	<b>26,586,854</b>	<b>34,846,776</b>	<b>11,302</b>
Finance and insurance	28,678,349	255,716	417,185	1,739,090	26,266,357	34,820,426	11,302
Commercial banking and other depository credit agencies	14,082	0	11	70	14,001	87,316	0
Nondepository credit intermediation	4,781,662	19,868	12,447	277,063	4,472,284	2,744,988	0
Securities, commodity contracts, and other	11,589,120	217,788	158,397	425,578	10,787,357	16,762,920	1,958
Insurance and related activities	12,277,038	18,060	232,564	1,036,380	10,990,034	14,463,193	9,344
Insurance agencies and brokerages	921,941	0	748	179,279	741,915	287,923	1,496
Funds, trusts, and other financial vehicles	16,449	0	13,766	0	2,682	762,008	0
Real estate and rental and leasing	565,126	69,277	174,330	1,021	320,497	26,350	0
Real estate	74,147	116	28,622	16	45,393	10,144	0
Rentals and leasing	490,979	69,161	145,708	1,005	275,104	16,206	0
<b>Services</b>	<b>31,392,203</b>	<b>914,066</b>	<b>885,034</b>	<b>6,107,123</b>	<b>23,485,979</b>	<b>43,120,252</b>	<b>326,610</b>
Professional, scientific, and technical services	7,510,665	4,924	397,950	5,194,216	1,913,576	1,235,217	174,062
Management of holding companies	15,483,639	902,381	192,737	320,232	14,068,290	39,570,008	120,299
Administrative and support and waste management and remediation	903,675	3,511	98,299	373,111	428,754	1,069,414	20,977
Education services, health care, and social assistance	273,443	47	12,662	32,839	227,894	35,098	343
Arts, entertainment, and recreation	439,484	0	68,069	151,210	220,205	74,344	6,264
Accommodation and food services	6,644,621	3,203	106,752	28,772	6,505,894	1,105,979	4,665
Accommodation	1,277,712	1,220	0	15,855	1,260,636	329,056	0
Food services and drinking places	5,366,909	1,983	106,752	12,917	5,245,258	776,923	4,665
Other services	136,676	0	8,567	* 6,744	121,365	30,192	0
Repair and maintenance services	9,766	0	5,734	0	4,033	1,141	0
Personal services	*126,909	*0	*2,833	*6,744	*117,332	*27,979	*0
Religious, grantmaking, civic, professional, and similar organizations	*0	*0	*0	*0	*0	*1,072	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued					
	Deductions—continued			Taxable income (less loss) before adjustments	Adjustments to taxable income	Taxable income (less loss) after adjustments
	Deductions not allocable to specific types of income—continued		Deductions from oil and gas extraction income [7]			
	Interest	Other				
	(34)	(35)	(36)	(37)	(38)	(39)
All industries	69,458,050	64,730,679	12,595,373	401,907,604	57,152,027	344,755,578
Agriculture, forestry, fishing, and hunting	15,342	15,683	0	53,419	4,794	48,626
Mining	453,912	596,696	858,910	15,068,341	659,115	14,409,226
Oil and gas extraction, coal mining	196,814	144,871	858,910	7,775,260	383,567	7,391,694
Metal ore mining	*168,827	*390,662	*0	*6,574,376	*231,241	*6,343,135
Nonmetallic minerals	2,588	7,691	0	27,639	1,007	26,631
Support activities for mining	85,682	53,472	0	691,066	43,300	647,766
Utilities	109,339	31,513	167,190	461,406	166,931	294,474
Construction	8,195	29,084	0	466,017	157,876	308,141
Construction of buildings	3,639	2,714	0	199,173	30,353	168,820
Heavy and civil engineering construction	4,534	26,370	0	245,512	127,523	117,990
Special trade contractors	22	0	0	21,331	[2]	21,331
Manufacturing	22,747,605	22,332,556	10,820,119	272,044,435	43,422,476	228,621,960
Food manufacturing	2,056,642	713,113	0	13,977,233	1,255,593	12,721,640
Beverage and tobacco products	434,546	1,341,589	0	11,022,643	4,632,371	6,390,272
Tobacco manufacturing	*25,480	*22,072	*0	*337,074	*70,583	*266,491
Textile mills and textile product mills	*8,833	*10,148	*0	*121,636	*354	*121,282
Apparel manufacturing	24,760	26,007	0	461,250	209	461,041
Leather and allied product manufacturing	3,990	2,266	0	163,908	49,208	114,700
Wood product manufacturing	119,917	8,190	0	256,041	88,485	167,556
Paper manufacturing	275,160	221,182	0	5,611,464	106,970	5,504,494
Printing and related support activities	4,227	41,143	0	93,602	14,390	79,212
Petroleum and coal products manufacturing	2,136,299	1,023,641	10,820,119	72,378,862	27,441	72,351,422
Chemical manufacturing	3,695,398	4,241,504	0	69,710,652	14,048,231	55,662,421
Pharmaceutical and medicine manufacturing	1,639,943	2,182,209	0	49,341,925	12,453,204	36,888,721
Other chemical manufacturing	2,055,456	2,059,294	0	20,368,727	1,595,027	18,773,699
Plastics and rubber products manufacturing	95,567	98,949	0	621,574	249,172	372,402
Nonmetallic mineral product manufacturing	47,428	23,530	0	618,417	126,593	491,824
Primary metal manufacturing	709,519	146,064	0	2,299,335	160,112	2,139,223
Fabricated metal products	391,230	200,638	0	3,416,880	159,852	3,257,028
Machinery manufacturing	1,182,102	1,905,953	0	8,583,384	1,240,153	7,343,231
Computer and electronic product manufacturing	1,159,712	8,256,633	0	47,042,245	12,580,802	34,461,443
Electrical equipment, appliance and component manufacturing	5,630,864	1,152,111	0	9,119,416	445,014	8,674,402
Transportation equipment manufacturing	4,217,516	1,772,492	0	18,917,422	7,422,235	11,495,188
Motor vehicles and related manufacturing	3,556,602	1,700,066	0	14,857,210	6,748,881	8,108,329
Other transportation equipment manufacturing	660,914	72,426	0	4,060,212	673,353	3,386,859
Furniture and related products	55,128	21,478	0	219,482	17,348	202,133
Miscellaneous manufacturing and manufacturing not allocable	498,766	1,125,925	0	7,408,989	797,941	6,611,048
Wholesale and retail trade	1,430,613	2,262,513	722,602	19,551,905	5,633,245	13,918,660
Wholesale trade	1,032,906	2,039,046	722,602	14,179,587	4,323,149	9,856,438
Durable goods	232,677	442,241	0	5,923,978	3,868,401	2,055,577
Machinery, equipment, and supplies	1,637	35,949	0	199,156	93,871	105,285
Other miscellaneous durable goods	231,040	406,292	0	5,724,821	3,774,530	1,950,292
Nondurable goods	800,230	1,596,805	722,602	8,255,609	454,748	7,800,861
Drugs, chemicals, and allied products	92,860	614,285	0	1,696,970	107,893	1,589,078
Groceries and related products	131,746	22,381	0	1,117,135	3,667	1,113,469
Petroleum and petroleum products	114,677	112,692	722,602	1,705,783	766	1,705,017
Other miscellaneous nondurable goods	460,947	847,447	0	3,735,721	342,423	3,393,298

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued					
	Deductions—continued			Taxable income (less loss) before adjustments	Adjustments to taxable income	Taxable income (less loss) after adjustments
	Deductions not allocable to specific types of income—continued		Deductions from oil and gas extraction income [7]			
	Interest	Other				
	(34)	(35)	(36)	(37)	(38)	(39)
Retail trade	397,707	223,467	0	5,372,318	1,310,096	4,062,222
Motor vehicle, parts dealers, and gas stations	331	4,505	0	209,454	[2]	209,454
Furniture and home furnishings stores	*399	*0	*0	*23,113	*6,192	*16,921
Building materials, garden equipment, and supplies	48,235	10,655	0	527,872	0	527,872
Food and beverages stores	156	1,494	0	604,249	475,135	129,114
Apparel and accessory stores	21,533	54,646	0	1,335,893	52,596	1,283,297
General merchandise stores	*225,362	*8,641	*0	*1,880,873	*663,421	*1,217,453
Miscellaneous retail trade	101,693	143,526	0	790,864	112,752	678,112
Transportation and warehousing	141,260	123,128	231	3,014,840	440,677	2,574,162
Air, rail, and water transportation	50,033	36,399	0	717,466	294,915	422,551
Water transportation	*9,806	*4,485	*0	*480,406	*294,915	*185,491
Air and rail transportation	*40,226	*31,913	*0	*237,060	[2]	*237,060
Other transportation and warehousing	91,227	86,729	231	2,297,373	145,762	2,151,611
Information	953,451	5,531,173	0	19,925,035	1,591,787	18,333,247
Publishing (except internet), motion picture, and sound recording	451,092	4,883,280	0	16,426,521	1,433,457	14,993,063
Broadcasting, internet publishing	233,657	510,206	0	1,639,949	[2]	1,639,949
Telecommunications	208,610	28,953	0	757,070	65,657	691,413
Internet service providers, web search portals, and data processing services	*56,105	*24,470	*0	*906,475	*47,303	*859,171
Other information services	3,987	84,264	0	195,020	45,370	149,650
Finance, insurance, real estate, and rental and leasing	20,374,631	14,291,945	0	37,353,738	3,691,225	33,662,513
Finance and insurance	20,366,983	14,281,311	0	37,095,784	3,671,755	33,424,029
Commercial banking and other depository credit agencies	76,764	9,203	0	706,523	0	706,523
Nondepository credit intermediation	1,068,077	1,631,220	0	1,302,699	186,832	1,115,867
Securities, commodity contracts, and other	15,275,926	1,478,328	0	12,806,257	1,462,913	11,343,345
Insurance and related activities	3,461,518	10,885,731	0	21,010,660	2,000,150	19,010,510
Insurance agencies and brokerages	203,425	82,996	0	1,986,974	366,114	1,620,861
Funds, trusts, and other financial vehicles	484,698	276,829	0	1,269,644	21,860	1,247,784
Real estate and rental and leasing	7,649	10,634	0	257,954	19,471	238,484
Real estate	6,917	2,930	0	114,251	2,381	111,870
Rentals and leasing	731	7,704	0	143,703	17,090	126,613
Services	23,223,704	19,516,388	26,320	33,968,469	1,383,901	32,584,568
Professional, scientific, and technical services	365,756	676,315	0	3,426,356	1,184,159	2,242,197
Management of holding companies	22,099,248	17,328,781	26,320	26,263,173	101,328	26,161,845
Administrative and support and waste management and remediation	84,715	958,184	0	819,148	12,457	806,691
Education services, health care, and social assistance	24,995	8,696	0	158,870	44,148	114,721
Arts, entertainment, and recreation	21,586	46,493	0	233,254	1	233,253
Accommodation and food services	609,535	487,808	0	2,957,954	40,376	2,917,578
Accommodation	227,450	97,652	0	580,851	8,466	572,384
Food services and drinking places	382,085	390,157	0	2,377,103	31,910	2,345,193
Other services	* 17,869	* 10,110	0	109,715	* 1,432	108,283
Repair and maintenance services	0	0	0	3,809	0	3,809
Personal services	*17,869	*10,110	*0	*105,629	*1,432	*104,198
Religious, grantmaking, civic, professional, and similar organizations	*0	*0	*0	*277	*0	*277

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						
	Foreign taxes available for credit						
	Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Foreign taxes paid or accrued		
					Total	Taxes withheld at source on—	
						Dividends	Interest
	(40)	(41)	(42)	(43)	(44)	(45)	(46)
All industries	111,616,128	24,232,579	24,239,310	111,609,398	38,973,691	3,150,287	1,071,103
Agriculture, forestry, fishing, and hunting	21,249	1	12,250	9,000	5,185	39	40
Mining	5,629,064	480,084	961,345	5,147,804	2,872,863	695,092	30,053
Oil and gas extraction, coal mining	2,473,723	314,582	270,377	2,517,928	839,636	32,854	708
Metal ore mining	*2,813,268	*163,319	*546,962	*2,429,626	*1,990,043	*661,744	*27,699
Nonmetallic minerals	9,997	2,183	3,198	8,981	1,299	116	587
Support activities for mining	332,076	0	140,808	191,268	41,885	378	1,059
Utilities	119,750	3,688	993	122,445	69,195	19	3,782
Construction	123,769	9,856	11,355	122,270	57,655	1,193	170
Construction of buildings	61,643	0	524	61,119	9,258	1,058	1
Heavy and civil engineering construction	53,444	8,921	7,394	54,970	43,926	105	148
Special trade contractors	8,683	935	3,437	6,181	4,470	31	22
Manufacturing	80,948,593	20,726,997	20,120,416	81,555,174	26,680,883	1,662,896	179,153
Food manufacturing	3,537,039	806,705	247,783	4,095,960	555,896	254,592	8,030
Beverage and tobacco products	1,276,492	5,568	16,766	1,265,294	267,981	40,775	1,653
Tobacco manufacturing	*20,808	*242	*538	*20,512	*17,041	*734	*0
Textile mills and textile product mills	*48,536	*0	*6,625	*41,911	*6,663	*5,096	*0
Apparel manufacturing	82,041	24,547	299	106,289	22,186	7,202	1,509
Leather and allied product manufacturing	28,861	7,683	7,628	28,916	3,662	362	30
Wood product manufacturing	98,517	276,150	17,155	357,512	6,894	4,588	150
Paper manufacturing	1,116,591	594,380	14,666	1,696,304	205,167	80,121	3,907
Printing and related support activities	23,824	23,914	6,220	41,518	2,994	648	288
Petroleum and coal products manufacturing	34,939,324	5,863,578	11,864,543	28,938,360	18,304,174	21,104	27,526
Chemical manufacturing	15,461,228	7,521,521	2,859,746	20,123,004	2,476,030	437,968	18,234
Pharmaceutical and medicine manufacturing	8,558,453	5,015,759	1,960,207	11,614,005	1,357,075	185,612	2,691
Other chemical manufacturing	6,902,775	2,505,762	899,539	8,508,998	1,118,955	252,356	15,543
Plastics and rubber products manufacturing	189,938	86,814	69,058	207,694	18,809	6,621	552
Nonmetallic mineral product manufacturing	160,996	507,089	15,216	652,868	52,171	39,520	6,743
Primary metal manufacturing	902,135	132,623	133,494	901,264	602,929	23,188	8,103
Fabricated metal products	1,020,263	492,037	160,695	1,351,605	302,251	48,576	10,606
Machinery manufacturing	2,739,924	367,844	671,922	2,435,846	447,362	79,949	20,198
Computer and electronic product manufacturing	9,840,919	1,646,456	1,915,480	9,571,895	1,284,006	277,755	6,895
Electrical equipment, appliance and component manufacturing	2,548,447	436,768	59,315	2,925,900	1,162,549	80,765	25,135
Transportation equipment manufacturing	5,360,559	1,353,838	1,749,689	4,964,708	667,833	158,388	33,142
Motor vehicles and related manufacturing	3,996,226	868,107	1,259,797	3,604,536	422,588	114,253	31,468
Other transportation equipment manufacturing	1,364,333	485,731	489,892	1,360,172	245,245	44,136	1,674
Furniture and related products	153,073	18,301	63,236	108,138	3,250	1,269	502
Miscellaneous manufacturing and manufacturing not allocable	1,419,885	561,183	240,879	1,740,188	288,074	94,408	5,951
Wholesale and retail trade	4,305,781	1,393,571	863,936	4,835,416	849,127	147,286	61,318
Wholesale trade	3,072,977	1,132,743	734,399	3,471,322	522,325	86,076	19,156
Durable goods	787,189	471,950	203,869	1,055,270	165,374	25,386	10,604
Machinery, equipment, and supplies	18,548	20,858	2,945	36,461	9,429	350	1,015
Other miscellaneous durable goods	768,641	451,092	200,924	1,018,809	155,946	25,036	9,589
Nondurable goods	2,285,788	660,793	530,529	2,416,052	356,951	60,690	8,552
Drugs, chemicals, and allied products	438,421	170,832	114,142	495,112	89,881	19,138	1,458
Groceries and related products	104,833	336	2,187	102,983	26,670	4,321	2,183
Petroleum and petroleum products	668,808	349,061	301,047	716,822	88,065	9,981	545
Other miscellaneous nondurable goods	1,073,726	140,564	113,154	1,101,136	152,335	27,249	4,366

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued						
	Foreign taxes available for credit						
	Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Foreign taxes paid or accrued		
					Total	Taxes withheld at source on—	
	(40)	(41)	(42)	(43)	(44)	Dividends (45)	Interest (46)
Retail trade	1,232,803	260,828	129,538	1,364,094	326,802	61,211	42,162
Motor vehicle, parts dealers, and gas stations	66,307	0	4,318	61,989	8,269	1,158	2,986
Furniture and home furnishings stores	*5,031	*4,794	*0	*9,824	*2,483	*0	*100
Building materials, garden equipment, and supplies	178,206	0	36	178,170	41,262	6,172	7,580
Food and beverages stores	33,179	18,335	405	51,109	5,481	610	30
Apparel and accessory stores	271,101	85,955	26,209	330,846	91,984	5,697	6,563
General merchandise stores	*401,759	*61,294	*4,885	*458,168	*110,145	*20,037	*15,573
Miscellaneous retail trade	277,220	90,451	93,685	273,987	67,177	27,537	9,331
Transportation and warehousing	437,532	87,769	121,549	403,753	167,498	23,619	4,427
Air, rail, and water transportation	168,894	21,364	92,969	97,289	39,985	9,746	105
Water transportation	*66,790	*1,104	*35,278	*32,617	*12,821	*6,784	*72
Air and rail transportation	*102,103	*20,260	*57,691	*64,672	*27,164	*2,962	*34
Other transportation and warehousing	268,639	66,405	28,580	306,464	127,513	13,873	4,322
Information	3,606,331	290,931	540,631	3,356,631	1,574,306	44,223	2,858
Publishing (except internet), motion picture, and sound recording	2,291,217	222,480	293,464	2,220,234	1,359,999	28,915	2,019
Broadcasting, internet publishing	453,196	0	3,806	449,390	149,725	2,900	280
Telecommunications	172,345	14,708	60,521	126,532	19,280	146	154
Internet service providers, web search portals, and data processing services	*638,497	*33,796	*167,901	*504,392	*30,803	*8,754	*395
Other information services	51,075	19,947	14,939	56,083	14,499	3,508	10
Finance, insurance, real estate, and rental and leasing	7,226,599	331,972	623,509	6,935,063	3,497,336	283,314	533,117
Finance and insurance	7,172,099	330,105	605,764	6,896,440	3,476,009	282,535	532,414
Commercial banking and other depository credit agencies	176,925	0	0	176,925	176,909	74,849	102,056
Nondepository credit intermediation	287,718	0	13,048	274,670	167,532	4,268	8,900
Securities, commodity contracts, and other	2,661,087	146,963	198,956	2,609,093	941,248	62,894	121,289
Insurance and related activities	3,626,505	183,142	369,088	3,440,559	1,882,055	140,517	39,588
Insurance agencies and brokerages	532,355	2,071	63,575	470,851	67,967	10,085	0
Funds, trusts, and other financial vehicles	419,864	0	24,671	395,192	308,265	8	260,581
Real estate and rental and leasing	54,501	1,867	17,745	38,623	21,327	779	703
Real estate	30,797	1,232	4,964	27,065	10,632	312	696
Rentals and leasing	23,703	636	12,781	11,558	10,695	467	7
Services	9,197,459	907,709	983,326	9,121,841	3,199,644	292,605	256,184
Professional, scientific, and technical services	736,366	114,526	181,385	669,508	329,487	23,715	5,679
Management of holding companies	7,090,240	158,983	563,359	6,685,863	2,377,644	253,892	219,515
Administrative and support and waste management and remediation	205,081	23,830	33,636	195,274	48,891	893	1,136
Education services, health care, and social assistance	40,391	30,672	15,680	55,383	6,953	923	123
Arts, entertainment, and recreation	57,378	405	11,060	46,722	43,058	274	868
Accommodation and food services	1,040,079	579,293	174,008	1,445,365	388,918	12,299	28,667
Accommodation	204,496	28,367	42,557	190,306	69,458	5,769	6,309
Food services and drinking places	835,583	550,926	131,451	1,255,058	319,460	6,530	22,358
Other services	27,924	0	4,198	23,726	4,694	608	* 195
Repair and maintenance services	2,770	0	1,254	1,516	869	39	0
Personal services	*24,689	*0	*2,612	*22,077	*3,692	*558	*195
Religious, grantmaking, civic, professional, and similar organizations	*466	*0	*332	*134	*134	*11	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued					
	Foreign taxes available for credit					
	Foreign taxes paid or accrued					Taxes deemed paid
	Taxes withheld at source on--	Other taxes paid or accrued on--				
	Rents, royalties, and license fees	Branch income	Specifically allocable income (section 863(b))	Service income	Other income	
	(47)	(48)	(49)	(50)	(51)	(52)
All industries	3,702,391	6,544,113	70,312	536,332	23,899,153	72,635,706
Agriculture, forestry, fishing, and hunting	292	1,939	0	361	2,513	3,815
Mining	15,658	267,111	1,338	19,319	1,844,291	2,274,941
Oil and gas extraction, coal mining	3,771	177,629	0	4,719	619,956	1,678,292
Metal ore mining	*5,731	*73,844	*0	*2,918	*1,218,107	*439,583
Nonmetallic minerals	296	41	0	127	132	7,683
Support activities for mining	5,859	15,598	1,338	11,556	6,096	149,383
Utilities	0	59,201	0	0	6,193	53,250
Construction	12,690	4,083	0	30,170	9,349	64,615
Construction of buildings	6,357	280	0	1,175	388	51,860
Heavy and civil engineering construction	6,188	391	0	28,147	8,948	11,044
Special trade contractors	146	3,412	0	847	13	1,711
Manufacturing	2,466,159	2,206,827	49,385	98,527	20,017,936	54,874,292
Food manufacturing	60,264	204,415	0	716	27,879	3,540,065
Beverage and tobacco products	35,535	172,095	425	800	16,698	997,313
Tobacco manufacturing	*799	*13,790	*0	*0	*1,717	*3,472
Textile mills and textile product mills	*611	*905	*0	*51	*0	*35,248
Apparel manufacturing	10,046	3,016	0	0	412	84,103
Leather and allied product manufacturing	3,042	165	0	61	2	25,254
Wood product manufacturing	1,084	403	0	0	669	350,618
Paper manufacturing	53,948	4,890	7,994	6,792	47,515	1,491,137
Printing and related support activities	268	1,119	0	311	360	38,524
Petroleum and coal products manufacturing	20,777	326,073	0	29	17,908,665	10,634,185
Chemical manufacturing	809,757	580,678	2,745	31,783	594,863	17,646,974
Pharmaceutical and medicine manufacturing	584,740	181,476	2,745	7,390	392,421	10,256,931
Other chemical manufacturing	225,017	399,203	0	24,394	202,442	7,390,043
Plastics and rubber products manufacturing	10,884	287	30	177	258	188,885
Nonmetallic mineral product manufacturing	2,412	3,135	0	360	1	600,697
Primary metal manufacturing	450,191	103,882	0	1,508	16,057	298,335
Fabricated metal products	16,721	180,839	803	2,074	42,631	1,049,355
Machinery manufacturing	53,881	202,967	3,236	9,797	77,336	1,988,484
Computer and electronic product manufacturing	682,629	179,472	25,798	22,651	88,805	8,287,889
Electrical equipment, appliance and component manufacturing	17,793	11,044	0	1,635	1,026,177	1,763,350
Transportation equipment manufacturing	128,192	164,438	8,244	19,071	156,359	4,296,875
Motor vehicles and related manufacturing	94,074	113,379	3,933	9,578	55,904	3,181,948
Other transportation equipment manufacturing	34,118	51,059	4,311	9,493	100,455	1,114,927
Furniture and related products	852	458	0	0	169	104,888
Miscellaneous manufacturing and manufacturing not allocable	107,271	66,544	110	711	13,080	1,452,114
Wholesale and retail trade	181,990	324,022	771	9,064	124,677	3,986,289
Wholesale trade	111,213	208,565	771	7,734	88,811	2,948,997
Durable goods	64,639	33,818	0	3,303	27,624	889,895
Machinery, equipment, and supplies	1,792	5,200	0	193	878	27,033
Other miscellaneous durable goods	62,847	28,618	0	3,110	26,746	862,863
Nondurable goods	46,574	174,746	771	4,430	61,187	2,059,101
Drugs, chemicals, and allied products	19,415	47,844	771	98	1,157	405,231
Groceries and related products	3,378	13,341	0	111	3,336	76,312
Petroleum and petroleum products	236	71,710	0	0	5,593	628,758
Other miscellaneous nondurable goods	23,545	41,852	0	4,221	51,101	948,801

Footnotes at end of table.



# Corporate Foreign Tax Credit, 2005

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**Table 1. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Total Assets, Income, Taxes, and Credits, and Foreign Income, Deductions, and Taxes, by Major and Selected Minor Industry—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Major and selected minor industry of U.S. corporation filing return	Foreign income and taxes—continued					
	Foreign taxes available for credit					Taxes deemed paid
	Foreign taxes paid or accrued					
	Taxes withheld at source on--	Other taxes paid or accrued on--				
	Rents, royalties, and license fees	Branch income	Specifically allocable income (section 863(b))	Service income	Other income	
	(47)	(48)	(49)	(50)	(51)	(52)
Retail trade	70,777	115,457	0	1,330	35,866	1,037,292
Motor vehicle, parts dealers, and gas stations	237	987	0	19	2,882	53,721
Furniture and home furnishings stores	*738	*1,646	*0	*0	*0	*7,341
Building materials, garden equipment, and supplies	18,956	7,730	0	0	825	136,908
Food and beverages stores	4,842	0	0	0	0	45,628
Apparel and accessory stores	8,703	57,347	0	631	13,043	238,863
General merchandise stores	*32,260	*26,086	*0	*0	*16,189	*348,023
Miscellaneous retail trade	5,042	21,661	0	681	2,926	206,809
Transportation and warehousing	22,478	63,270	1,607	38,103	13,992	236,255
Air, rail, and water transportation	13,501	165	1,597	3,820	11,051	57,305
Water transportation	*0	*0	*1,597	*265	*4,103	*19,796
Air and rail transportation	*13,501	*165	*0	*3,555	*6,948	*37,508
Other transportation and warehousing	8,977	63,106	10	34,284	2,941	178,951
Information	751,802	450,272	12,750	13,274	299,127	1,782,325
Publishing (except internet), motion picture, and sound recording	634,204	423,737	12,750	963	257,411	860,235
Broadcasting, internet publishing	98,163	0	0	7,261	41,121	299,665
Telecommunications	5,776	13,203	0	0	1	107,252
Internet service providers, web search portals, and data processing services	*7,619	*9,155	*0	*4,880	*0	*473,589
Other information services	6,040	4,177	0	170	595	41,584
Finance, insurance, real estate, and rental and leasing	46,247	1,437,876	4,402	105,057	1,087,323	3,437,727
Finance and insurance	32,866	1,436,540	4,402	103,452	1,083,802	3,420,431
Commercial banking and other depository credit agencies	0	0	0	0	4	16
Nondepository credit intermediation	20,245	98,566	0	34,186	1,366	107,138
Securities, commodity contracts, and other	432	116,418	0	23,951	616,264	1,667,845
Insurance and related activities	12,188	1,202,777	4,402	41,982	440,602	1,558,503
Insurance agencies and brokerages	44	50,817	0	523	6,497	402,884
Funds, trusts, and other financial vehicles	0	18,778	0	3,332	25,566	86,927
Real estate and rental and leasing	13,381	1,336	0	1,606	3,521	17,296
Real estate	6,037	0	0	113	3,475	16,433
Rentals and leasing	7,345	1,336	0	1,493	46	863
Services	205,076	1,729,512	59	222,457	493,751	5,922,197
Professional, scientific, and technical services	32,435	96,134	0	148,446	23,079	340,021
Management of holding companies	33,704	1,393,758	0	55,840	420,934	4,308,219
Administrative and support and waste management and remediation	13,576	18,322	0	1,359	13,604	146,384
Education services, health care, and social assistance	2,247	594	0	1,905	1,161	48,430
Arts, entertainment, and recreation	4,936	8,338	59	6,510	22,072	3,664
Accommodation and food services	116,121	211,612	0	7,962	12,257	1,056,447
Accommodation	17,407	20,936	0	7,833	11,203	120,849
Food services and drinking places	98,713	190,676	0	129	1,055	935,598
Other services	2,058	* 754	0	436	644	19,032
Repair and maintenance services	0	0	0	296	533	647
Personal services	*1,935	*754	*0	*140	*110	*18,385
Religious, grantmaking, civic, professional, and similar organizations	*123	*0	*0	*0	[2]	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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## Footnotes

\* Data should be used with caution because of the small number of sample returns on which they were based.

[1] Interest-Charge Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

[2] Less than \$500.

[3] Includes adjustments and recapture of certain tax credits not included in column 12.

[4] In addition to the credits shown in columns 13-15, this is after reduction by other credits, such as the jobs credit and the investment credit, which are not shown separately in this table.

[5] Included in gross income (less loss), columns 17-23. See notes below.

[6] Column 32 exceeds the sum of columns 33 through 35 because some corporations do not file a Schedule H to support the not allocable deductions reported on Schedule A.

[7] Included in deductions, columns 26-35. See notes below.

NOTES: Detail may not add to totals because of rounding. Columns 2 through 16 present statistics on assets, receipts, income, and taxes reported on Form 1120 (Corporation Income Tax Return) series for corporations claiming a foreign tax credit. Columns 17 through 52 present statistics from Form 1118, Foreign Tax Credit--Corporations. Schedule references indicate the schedule of Form 1118 from which the data were obtained. Columns 17 through 36 present statistics on foreign income (i.e., income from sources outside the United States) and deductions reported primarily on Schedule A, Form 1118. Although the amounts of oil and gas income and deductions (columns 24 and 36, respectively) are contained in the summary columns (i.e., columns 17 through 23 and 26 through 35), these amounts are also reported separately (on Schedule I) because oil and gas income is subject to special rules under Internal Revenue Code section 907, which may result in a reduction of foreign taxes available for credit. Foreign branch income and code section 863(b) income (income partly within and partly without the United States) also are included in the summary amounts reported in columns 17 through 23. Foreign branch income also is reported separately on Schedule F, shown in column 25. Total foreign-source gross income (column 17) less total foreign deductions (column 26) is equal to foreign-source taxable income (less loss) before adjustments (column 37).

Adjustments to foreign-source taxable income (reported in column 38) include allocations of current-year U.S.-source losses and recapture of foreign losses, as well as other adjustments. These adjustments (reported on Schedule J) affect the numerator of the limitation fraction used to compute the foreign tax credit. The foreign-source taxable income (less loss) after adjustments (the numerator of the limitation fraction) is reported in column 39. The limitation fraction, which represents the ratio of foreign-source taxable income after adjustments to total (U.S. and foreign) taxable income after adjustments, is applied to the total U.S. tax against which the credit is allowed to determine any limitation on the foreign tax credit.

Statistics on foreign taxes are reported in columns 40 through 52. Data on foreign taxes paid, accrued, and deemed paid (through related foreign corporations or their subsidiaries) from Schedule B, Form 1118, are reported in columns 43 through 52. Total foreign taxes paid or accrued (column 44) are the sum of columns 45 through 51 (any differences are due to taxpayer reporting practices). Total foreign taxes paid, accrued, and deemed paid (column 43) are equal to the sum of total taxes paid or accrued (column 44) and taxes deemed paid (column 52). Total foreign taxes paid, accrued, and deemed paid are then adjusted for certain items (e.g., reductions of foreign taxes under Code section 907 related to oil and gas income), which are reported in column 41, as well as carryovers of foreign taxes not credited in prior years, which are reported in column 42. Thus, total foreign taxes available for credit (column 40) are equal to total foreign taxes paid, accrued, and deemed paid (column 43) less certain foreign taxes (column 41), plus any carryover of prior-year foreign taxes (column 42).

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Number of returns [3]	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALL INDUSTRIES</b>						
All income types	5,837	914,741,013	397,776,032	60,552,267	84,522,193	98,517,129
Passive income	2,826	18,962,301	8,952,780	1,005,688	5,886,740	1,349,195
High withholding tax interest	239	1,135,385	13,217	23,740	1,098,428	0
Financial services income	398	182,453,435	35,302,827	7,553,915	70,019,386	6,989,647
Shipping income	37	9,031,094	557,185	129,994	217,556	901,414
Dividends from an IC-DISC or former DISC [1]	47	1,218	1,218	0	0	0
Miscellaneous separately calculated limitation income	*9	*147,717	*137,560	*0	*0	*142
Distributions from a FSC or former FSC [2]	*9	*1,657,421	*1,657,421	*0	*0	*0
General limitation income	3,175	700,699,944	350,791,303	51,783,192	7,292,537	89,267,631
Section 901(j) income	23	220,085	17,479	[7]	7,188	1,807
Income resourced by treaty	33	432,413	345,042	55,738	357	7,292
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>						
All income types	150	239,515	126,600	3,815	4,462	10,646
Passive income	94	3,691	465	110	2,523	367
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	58	235,824	126,136	3,705	1,938	10,278
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
<b>MINING</b>						
All income types	127	21,117,992	6,735,164	2,262,503	403,256	265,971
Passive income	82	1,199,452	324,018	60,494	191,145	2,889
High withholding tax interest	*6	*11,384	*0	*0	*11,384	*0
Financial services income	*5	*3,750	*1,809	*0	*121	*0
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	72	19,748,010	6,409,336	2,202,009	200,606	263,082
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0	0
<b>UTILITIES</b>						
All income types	12	893,292	247,300	53,250	8,486	0
Passive income	*6	*12,951	*6,338	*1,759	*4,854	*0
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*9	*880,341	*240,962	*51,491	*3,632	*0
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Number of returns [3]	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>CONSTRUCTION</b>						
All income types	336	782,759	229,284	63,507	7,633	49,085
Passive income	158	64,093	36,422	165	4,301	316
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	28	15	15	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	155	708,640	192,847	63,342	3,319	48,769
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
<b>MANUFACTURING</b>						
All income types	1,267	582,378,386	320,541,406	44,442,264	11,004,385	57,206,732
Passive income	501	11,460,684	6,401,046	673,777	2,852,172	976,844
High withholding tax interest	61	317,814	7,331	1,355	309,127	0
Financial services income	46	8,967,025	3,369,137	262,340	2,648,794	682,854
Shipping income	14	1,510,251	337,298	46,606	19,820	675,710
Dividends from an IC-DISC or former DISC [1]	13	1,085	1,085	0	0	0
Miscellaneous separately calculated limitation income	*5	*50,549	*50,394	*0	*0	*138
Distributions from a FSC or former FSC [2]	*3	*1,246,092	*1,246,092	*0	*0	*0
General limitation income	1,059	558,506,424	308,874,710	43,436,705	5,167,284	54,862,179
Section 901(j) income	15	43,440	17,479	[7]	7,188	1,715
Income resourced by treaty	16	275,022	236,834	21,481	0	7,292
<b>WHOLESALE AND RETAIL TRADE</b>						
All income types	635	37,644,808	17,860,826	3,477,378	777,996	6,057,511
Passive income	225	1,084,879	529,035	66,987	140,874	231,739
High withholding tax interest	37	41,115	0	0	41,115	0
Financial services income	16	2,516,035	644,715	139,973	181,720	251
Shipping income	*3	*28,157	*9,556	*1,076	*24	[7]
Dividends from an IC-DISC or former DISC [1]	*3	*12	*12	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	449	33,845,739	16,591,323	3,237,400	413,905	5,825,517
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*9	*128,866	*86,185	*31,941	*357	[7]
<b>TRANSPORTATION AND WAREHOUSING</b>						
All income types	78	15,893,694	977,643	177,195	135,052	333,239
Passive income	26	61,203	48,073	4,661	7,135	895
High withholding tax interest	10	12,290	0	0	12,290	0
Financial services income	*4	*35,687	*9	*0	*241	*0
Shipping income	*8	*6,862,644	*205,283	*82,116	*77,493	*148,240
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	56	8,921,869	724,278	90,418	37,893	184,104
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Number of returns [3]	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>INFORMATION</b>						
All income types	327	45,865,657	9,810,117	1,603,509	675,579	22,926,289
Passive income	148	1,551,310	1,045,584	162,404	227,869	74,275
High withholding tax interest	*7	*13,665	*0	*0	*13,665	*0
Financial services income	34	93,242	0	0	0	51,515
Shipping income	*4	*107,600	*312	*13	*16,717	*77,465
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	190	44,075,011	8,739,698	1,441,092	417,328	22,723,036
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d	d
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>						
All income types	1,063	101,443,988	19,701,444	3,360,772	35,918,625	4,399,381
Passive income	691	2,851,579	312,481	3,622	2,351,913	28,139
High withholding tax interest	55	334,241	4,190	978	329,074	0
Financial services income	168	92,342,555	18,490,964	3,233,574	32,708,639	2,995,940
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	250	5,432,918	876,553	121,663	425,497	1,375,302
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
<b>SERVICES</b>						
All income types	1,842	108,480,924	21,546,249	5,108,074	35,586,719	7,268,274
Passive income	896	672,460	249,320	31,709	103,953	33,730
High withholding tax interest	62	404,863	1,696	21,407	381,760	0
Financial services income	125	78,495,140	12,796,192	3,918,028	34,479,871	3,259,088
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*3	*105	*105	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*3	*386,806	*386,806	*0	*0	*0
General limitation income	877	28,345,169	8,015,460	1,135,367	621,135	3,975,364
Section 901(j) income	*3	*21,112	*0	*0	*0	*92
Income resourced by treaty	*5	*10,959	*5,563	*1,382	*0	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued				
	Gross income (less loss)—continued				Deductions
	Service income	Other income	Oil and gas extraction income [4]	Foreign branch income [4]	Total
	(7)	(8)	(9)	(10)	(11)
<b>ALL INDUSTRIES</b>					
All income types	28,708,344	244,665,047	67,647,545	122,056,453	512,833,409
Passive income	-3,853	1,771,751	0	336,948	4,431,330
High withholding tax interest	0	[7]	0	91	449,547
Financial services income	3,639,529	58,948,130	0	61,452,417	120,349,206
Shipping income	171,166	7,053,779	0	3,888,642	8,193,873
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	146
Miscellaneous separately calculated limitation income	*10,015	*0	*0	*0	*12,690
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*1,273,576
General limitation income	24,864,348	176,700,934	67,647,545	56,351,667	377,804,572
Section 901(j) income	21,020	172,590	0	21,020	183,265
Income resourced by treaty	6,119	17,865	0	5,669	135,205
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>					
All income types	17,118	76,874	0	4,170	186,095
Passive income	0	226	0	0	717
High withholding tax interest	0	0	0	0	0
Financial services income	0	0	0	0	0
Shipping income	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	17,118	76,648	0	4,170	185,379
Section 901(j) income	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0
<b>MINING</b>					
All income types	829,862	10,621,236	6,635,893	1,699,467	6,049,651
Passive income	0	620,906	0	115,781	106,717
High withholding tax interest	*0	*0	*0	*0	*52
Financial services income	*0	*1,820	*0	*1,870	*2,141
Shipping income	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	829,862	9,843,114	6,635,893	1,581,816	5,779,902
Section 901(j) income	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0
<b>UTILITIES</b>					
All income types	48,940	535,316	501,424	650,806	431,886
Passive income	*0	*0	*0	*169	*3,232
High withholding tax interest	0	0	0	0	0
Financial services income	0	0	0	0	0
Shipping income	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	*48,940	*535,316	*501,424	*650,637	*428,654
Section 901(j) income	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0

Footnotes at end of table.



# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued				
	Gross income (less loss)—continued				Deductions
	Service income	Other income	Oil and gas extraction income [4]	Foreign branch income [4]	Total
	(7)	(8)	(9)	(10)	(11)
<b>CONSTRUCTION</b>					
All income types	237,201	196,049	0	128,851	316,742
Passive income	0	22,889	0	513	1,481
High withholding tax interest	d	d	d	d	d
Financial services income	0	0	0	0	0
Shipping income	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	227,203	173,160	0	128,337	305,286
Section 901(j) income	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0
<b>MANUFACTURING</b>					
All income types	4,780,776	144,402,823	58,243,501	36,909,215	310,333,950
Passive income	0	556,845	0	150,411	2,997,800
High withholding tax interest	0	0	0	0	99,995
Financial services income	31,753	1,972,147	0	366,340	6,564,803
Shipping income	730	430,087	0	0	1,335,482
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	62
Miscellaneous separately calculated limitation income	*17	*0	*0	*0	*2,715
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*1,245,029
General limitation income	4,746,201	141,419,345	58,243,501	36,392,464	297,961,802
Section 901(j) income	0	17,058	0	0	3,358
Income resourced by treaty	2,075	7,340	0	0	122,904
<b>WHOLESALE AND RETAIL TRADE</b>					
All income types	474,004	8,997,093	2,137,280	4,972,629	18,092,903
Passive income	130	116,114	0	7,334	289,040
High withholding tax interest	0	0	0	0	4,232
Financial services income	124,873	1,424,502	0	1,420,575	985,211
Shipping income	*15,558	*1,942	*0	*15,559	*51,050
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d
General limitation income	333,413	7,444,181	2,137,280	3,523,493	16,757,925
Section 901(j) income	d	d	d	d	d
Income resourced by treaty	*29	*10,354	*0	*5,669	*5,428
<b>TRANSPORTATION AND WAREHOUSING</b>					
All income types	7,896,563	6,374,002	4,328	3,953,379	12,878,854
Passive income	0	440	0	344	3,379
High withholding tax interest	0	0	0	0	2,762
Financial services income	*35,409	*28	*0	*0	*31,340
Shipping income	*154,878	*6,194,634	*0	*3,765,901	*5,865,203
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	7,706,277	178,900	4,328	187,133	6,976,171
Section 901(j) income	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued				
	Gross income (less loss)—continued				Deductions
	Service income	Other income	Oil and gas extraction income [4]	Foreign branch income [4]	Total
	(7)	(8)	(9)	(10)	(11)
<b>INFORMATION</b>					
All income types	2,033,527	8,816,637	0	6,201,829	25,940,623
Passive income	-1	41,179	0	152	284,916
High withholding tax interest	*0	*0	*0	*0	*19,916
Financial services income	0	41,727	0	0	45,093
Shipping income	*0	*13,092	*0	*0	*75,500
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d
General limitation income	2,033,528	8,720,331	0	6,201,677	25,490,611
Section 901(j) income	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>					
All income types	2,663,913	35,399,853	0	21,416,112	64,090,250
Passive income	0	155,423	0	335	636,993
High withholding tax interest	0	0	0	0	146,791
Financial services income	1,952,301	32,961,137	0	20,702,579	58,555,256
Shipping income	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0
General limitation income	711,612	1,922,290	0	609,697	3,925,189
Section 901(j) income	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d
<b>SERVICES</b>					
All income types	9,726,441	29,245,165	125,119	46,119,997	74,512,455
Passive income	-3,982	257,729	0	61,909	107,055
High withholding tax interest	0	[7]	0	91	175,799
Financial services income	1,495,193	22,546,768	0	38,961,052	54,165,361
Shipping income	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*84
Miscellaneous separately calculated limitation income	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*4,020
General limitation income	8,210,194	6,387,648	125,119	7,072,243	19,993,653
Section 901(j) income	*21,020	*0	*0	*21,020	*19,002
Income resourced by treaty	*4,015	*0	*0	*0	*6,873

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued					
	Definitely allocable deductions					Deductions not allocable to specific types of income
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	
						(12)
ALL INDUSTRIES						
All income types	355,845,039	1,996,507	6,800,267	17,642,897	329,405,368	156,988,370
Passive income	1,619,766	35,226	77,886	751	1,505,903	2,811,564
High withholding tax interest	55,224	0	184	0	55,040	394,322
Financial services income	44,318,818	921,986	496,026	1,165,082	41,735,723	76,030,388
Shipping income	7,554,187	237,419	130,194	35,221	7,151,353	639,686
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	146
Miscellaneous separately calculated limitation income	*159	*129	*0	*0	*30	*12,531
Distributions from a FSC or former FSC [2]	*1,272,435	*0	*0	*0	*1,272,435	*1,141
General limitation income	300,746,059	801,459	6,095,937	16,418,884	277,429,779	77,058,513
Section 901(j) income	179,330	269	40	18,613	160,408	3,935
Income resourced by treaty	99,060	18	0	4,345	94,696	36,145
AGRICULTURE, FORESTRY, FISHING, AND HUNTING						
All income types	153,634	451	0	10,279	142,904	32,461
Passive income	21	0	0	0	21	696
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	153,613	451	0	10,279	142,883	31,766
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MINING						
All income types	4,989,917	135,892	259,001	397,672	4,197,351	1,059,734
Passive income	16,685	0	963	0	15,722	90,032
High withholding tax interest	*0	*0	*0	*0	*0	*52
Financial services income	*587	*0	*0	*0	*587	*1,554
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	4,812,382	135,892	258,039	397,672	4,020,779	967,521
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0	0
UTILITIES						
All income types	290,900	1,451	3,916	14,059	271,474	140,986
Passive income	*0	*0	*0	*0	*0	*3,232
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*290,900	*1,451	*3,916	*14,059	*271,474	*137,754
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued					Deductions not allocable to specific types of income
	Definitely allocable deductions					
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	
						Total [5]
	(12)	(13)	(14)	(15)	(16)	(17)
CONSTRUCTION						
All income types	270,305	306	773	139,587	129,638	46,437
Passive income	739	0	687	0	53	742
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	269,565	306	86	139,587	129,586	35,720
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MANUFACTURING						
All income types	244,821,284	484,751	745,427	784,635	242,806,471	65,512,667
Passive income	1,236,962	3,067	4,551	253	1,229,091	1,760,838
High withholding tax interest	23,895	0	[7]	0	23,895	76,100
Financial services income	2,603,069	0	[7]	[7]	2,603,068	3,961,734
Shipping income	903,696	0	0	0	903,696	431,786
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	62
Miscellaneous separately calculated limitation income	*159	*129	*0	*0	*30	*2,556
Distributions from a FSC or former FSC [2]	*1,245,029	*0	*0	*0	*1,245,029	*0
General limitation income	238,713,901	481,286	740,836	782,509	236,709,271	59,247,901
Section 901(j) income	417	269	40	0	108	2,942
Income resourced by treaty	94,155	0	0	1,873	92,282	28,749
WHOLESALE AND RETAIL TRADE						
All income types	14,181,960	58,638	948,992	198,197	12,976,132	3,910,943
Passive income	187,261	26,960	4,239	79	155,982	101,779
High withholding tax interest	-1	0	0	0	-1	4,233
Financial services income	859,259	0	64,890	0	794,369	125,952
Shipping income	*44,942	*0	*0	*0	*44,942	*6,108
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	13,089,210	31,677	879,863	198,118	11,979,552	3,668,714
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*1,288	*0	*0	*0	*1,288	*4,139
TRANSPORTATION AND WAREHOUSING						
All income types	12,579,831	14,468	29,458	6,541,547	5,994,358	299,023
Passive income	28	0	1	0	27	3,351
High withholding tax interest	0	0	0	0	0	2,762
Financial services income	*31,309	*0	*0	*31,298	*11	*31
Shipping income	*5,739,074	*11,463	*0	*35,221	*5,692,390	*126,129
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	6,809,420	3,005	29,457	6,475,028	301,930	166,751
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued					Deductions not allocable to specific types of income
	Definitely allocable deductions					
	Total	Depreciation, depletion, and amortization	Other expenses	Service expenses	Other definitely allocable deductions	
	(12)	(13)	(14)	(15)	(16)	(17)
INFORMATION						
All income types	17,921,532	61,490	3,336,150	1,709,685	12,814,206	8,019,091
Passive income	97,179	223	60,317	320	36,320	187,737
High withholding tax interest	*0	*0	*0	*0	*0	*19,916
Financial services income	34,146	0	0	0	34,146	10,947
Shipping income	*60,346	*33,988	*15,975	*0	*10,383	*15,154
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	17,705,338	27,279	3,259,859	1,709,365	12,708,835	7,785,273
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d	d
FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING						
All income types	29,243,475	324,993	591,515	1,740,111	26,586,854	34,846,776
Passive income	62,573	4,864	4,719	70	52,919	574,421
High withholding tax interest	9,729	0	93	0	9,636	137,062
Financial services income	25,903,150	43,508	245,048	1,103,709	24,510,885	32,652,106
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	2,500,155	84,654	227,436	636,333	1,551,733	1,425,034
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
SERVICES						
All income types	31,392,203	914,066	885,034	6,107,123	23,485,979	43,120,252
Passive income	18,318	112	2,410	29	15,768	88,737
High withholding tax interest	21,601	0	91	0	21,510	154,198
Financial services income	14,887,298	878,478	186,088	30,076	13,792,656	39,278,063
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*0	*84
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*2,883	*0	*0	*0	*2,883	*1,136
General limitation income	16,401,574	35,458	696,445	6,055,933	9,613,738	3,592,079
Section 901(j) income	*18,650	*0	*0	*18,613	*37	*351
Income resourced by treaty	*3,616	*18	*0	*2,472	*1,126	*3,257

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued				Taxable income (less loss) before adjustments	Adjustments to taxable income
	Deductions not allocable to specific types of income—continued			Deductions from oil and gas extraction income [7]		
	Research and development	Interest	Other			
	(18)	(19)	(20)	(21)	(22)	(23)
ALL INDUSTRIES						
All income types	21,701,747	69,458,050	64,730,679	12,595,373	401,907,604	57,152,027
Passive income	204,993	1,731,284	860,384	0	14,530,970	1,111,726
High withholding tax interest	476	292,989	92,431	0	685,839	527
Financial services income	172,300	45,670,030	30,055,715	0	62,104,229	4,602,125
Shipping income	4,259	553,977	81,449	0	837,221	-332,317
Dividends from an IC-DISC or former DISC [1]	0	0	62	0	1,072	-345
Miscellaneous separately calculated limitation income	*2,086	*470	*9,975	*0	*135,027	*-119,881
Distributions from a FSC or former FSC [2]	*0	*0	*1,141	*0	*383,845	*-309
General limitation income	21,317,345	21,177,249	33,622,071	12,595,373	322,895,372	51,889,912
Section 901(j) income	29	2,845	1,061	0	36,820	-7,111
Income resourced by treaty	260	29,206	6,390	0	297,209	7,700
AGRICULTURE, FORESTRY, FISHING, AND HUNTING				0		
All income types	0	15,342	15,683	0	53,419	4,794
Passive income	0	0	696	0	2,974	0
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	0	15,342	14,987	0	50,445	4,794
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
MINING						
All income types	5,805	453,912	596,696	858,910	15,068,341	659,115
Passive income	0	39,148	50,818	0	1,092,734	6,197
High withholding tax interest	*0	*52	*0	*0	*11,332	[7]
Financial services income	*4	*1,034	*516	*0	*1,609	*-17,431
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	5,801	413,102	545,362	858,910	13,968,108	675,790
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0	0
UTILITIES						
All income types	134	109,339	31,513	167,190	461,406	166,931
Passive income	*0	*2,626	*606	*0	*9,719	*391
High withholding tax interest	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	*134	*106,713	*30,907	*167,190	*451,686	*166,541
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.



# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued				Taxable income (less loss) before adjustments	Adjustments to taxable income
	Deductions not allocable to specific types of income—continued			Deductions from oil and gas extraction income [7]		
	Research and development	Interest	Other			
	(18)	(19)	(20)	(21)	(22)	(23)
<b>CONSTRUCTION</b>						
All income types	404	8,195	29,084	0	466,017	157,876
Passive income	0	633	108	0	62,612	1,087
High withholding tax interest	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	15	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	404	7,562	19,001	0	403,354	156,789
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0
<b>MANUFACTURING</b>						
All income types	19,681,327	22,747,605	22,332,556	10,820,119	272,044,435	43,422,476
Passive income	191,493	1,222,435	338,978	0	8,462,884	751,503
High withholding tax interest	421	64,688	6,293	0	217,819	1,625
Financial services income	44,418	3,710,721	206,595	0	2,402,222	310,361
Shipping income	4	416,008	15,774	0	174,769	-2,828
Dividends from an IC-DISC or former DISC [1]	0	0	62	0	1,023	-345
Miscellaneous separately calculated limitation income	*2,086	*470	*0	*0	*47,834	*-119,888
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*1,063	*-110
General limitation income	19,442,633	17,306,454	21,760,554	10,820,119	260,544,622	42,475,704
Section 901(j) income	12	2,255	675	0	40,082	-1,565
Income resourced by treaty	260	24,574	3,625	0	152,118	8,019
<b>WHOLESALE AND RETAIL TRADE</b>						
All income types	151,797	1,430,613	2,262,513	722,602	19,551,905	5,633,245
Passive income	3,233	78,018	16,870	0	795,839	161,354
High withholding tax interest	0	833	391	0	36,883	7,976
Financial services income	[7]	118,044	7,909	0	1,530,823	203,785
Shipping income	[7]	*4,831	*1,277	*0	*-22,893	*-28,532
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*12	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	148,564	1,227,499	2,233,299	722,602	17,087,815	5,288,503
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	*0	*1,375	*2,765	*0	*123,439	*372
<b>TRANSPORTATION AND WAREHOUSING</b>						
All income types	25,154	141,260	123,128	231	3,014,840	440,677
Passive income	0	2,721	630	0	57,824	35,462
High withholding tax interest	0	2,544	107	0	9,529	1,215
Financial services income	*0	*30	[7]	*0	*4,348	*0
Shipping income	*4,256	*59,911	*61,962	*0	*997,442	*29,754
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	20,899	76,053	60,429	231	1,945,697	374,246
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued					
	Deductions—continued				Taxable income (less loss) before adjustments	Adjustments to taxable income
	Deductions not allocable to specific types of income—continued			Deductions from oil and gas extraction income [7]		
	Research and development	Interest	Other			
	(18)	(19)	(20)	(21)	(22)	(23)
INFORMATION						
All income types	1,499,214	953,451	5,531,173	0	19,925,035	1,591,787
Passive income	9,268	104,174	73,728	0	1,266,394	30,082
High withholding tax interest	*0	*19,813	*25	*0	*-6,251	*-8,965
Financial services income	133	10,810	4	0	48,149	32,971
Shipping income	*0	*14,889	*265	*0	*32,100	*27,397
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d
General limitation income	1,489,801	803,765	5,457,099	0	18,584,400	1,510,329
Section 901(j) income	d	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d	d
FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING						
All income types	11,302	20,374,631	14,291,945	0	37,353,738	3,691,225
Passive income	0	246,596	326,442	0	2,214,585	37,682
High withholding tax interest	0	114,675	21,856	0	187,451	411
Financial services income	11,302	19,843,632	12,670,331	0	33,787,299	4,068,607
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0
General limitation income	0	111,575	1,273,314	0	1,507,729	-47,016
Section 901(j) income	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d
SERVICES						
All income types	326,610	23,223,704	19,516,388	26,320	33,968,469	1,383,901
Passive income	1,000	34,933	51,508	0	565,404	87,967
High withholding tax interest	55	90,385	63,758	0	229,064	-1,735
Financial services income	116,442	21,985,758	17,170,360	0	24,329,779	3,833
Shipping income	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*22	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*0	*0	*1,136	*0	*382,787	*0
General limitation income	209,109	1,109,185	2,227,118	26,320	8,351,516	1,284,233
Section 901(j) income	*5	*11	*336	*0	*2,111	*6
Income resourced by treaty	*0	*3,257	*0	*0	*4,086	*-814

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Taxable Income (less loss) after adjustments	Foreign taxes available for credit				Foreign taxes paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on-
							Dividends
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>ALL INDUSTRIES</b>							
All income types	344,755,578	111,616,128	24,232,579	24,239,310	111,609,398	38,973,691	3,150,287
Passive income	13,419,244	1,959,830	62,549	263,987	1,758,392	715,786	82,822
High withholding tax interest	685,312	198,744	0	38,175	160,569	136,829	34
Financial services income	57,502,104	13,931,650	477,387	1,226,327	13,182,709	5,452,141	509,931
Shipping income	1,169,538	311,762	0	80,968	230,795	100,455	6,174
Dividends from an IC-DISC or former DISC [1]	1,417	14	0	[7]	14	14	14
Miscellaneous separately calculated limitation income	*254,908	*7,310	*0	*7,293	*17	*17	*0
Distributions from a FSC or former FSC [2]	*384,154	*0	*0	*0	*0	*0	*0
General limitation income	271,005,460	95,131,671	23,692,595	22,614,745	96,209,522	32,557,358	2,551,017
Section 901(j) income	43,931	6,012	0	1	6,011	6,009	0
Income resourced by treaty	289,509	69,135	49	7,814	61,369	5,081	294
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>							
All income types	48,626	21,249	1	12,250	9,000	5,185	39
Passive income	2,974	350	0	169	182	72	36
High withholding tax interest	0	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	45,652	20,898	1	12,081	8,818	5,113	3
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0
<b>MINING</b>							
All income types	14,409,226	5,629,064	480,084	961,345	5,147,804	2,872,863	695,092
Passive income	1,086,537	119,424	0	2,503	116,921	56,427	1,933
High withholding tax interest	*11,332	*1,570	*0	*456	*1,115	*1,115	*0
Financial services income	*19,040	*0	*0	*0	*0	*0	*0
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	13,292,317	5,502,344	480,084	958,387	5,024,042	2,809,595	693,159
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0	0	0
<b>UTILITIES</b>							
All income types	294,474	119,750	3,688	993	122,445	69,195	19
Passive income	*9,329	*1,989	*0	*210	*1,778	*19	*19
High withholding tax interest	0	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	*285,145	*117,762	*3,688	*783	*120,667	*69,176	*0
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Taxable Income (less loss) after adjustments	Foreign taxes available for credit				Foreign taxes paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on-
							Dividends
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>CONSTRUCTION</b>							
All income types	308,141	123,769	9,856	11,355	122,270	57,655	1,193
Passive income	61,525	16,020	935	2,372	14,584	13,484	69
High withholding tax interest	d	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	15	1	0	0	1	1	1
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	246,566	107,746	8,921	8,983	107,684	44,169	1,123
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0
<b>MANUFACTURING</b>							
All income types	228,621,960	80,948,593	20,726,997	20,120,416	81,555,174	26,680,883	1,662,896
Passive income	7,711,380	1,019,886	34,790	235,332	819,344	131,969	22,125
High withholding tax interest	216,194	54,072	0	12,791	41,281	39,926	0
Financial services income	2,091,861	729,004	136	149,669	579,470	316,044	9,655
Shipping income	177,598	69,278	0	11,531	57,747	10,795	0
Dividends from an IC-DISC or former DISC [1]	1,367	1	0	0	1	1	1
Miscellaneous separately calculated limitation income	*167,722	*42	*0	*25	*16	*16	*0
Distributions from a FSC or former FSC [2]	*1,172	*0	*0	*0	*0	*0	*0
General limitation income	218,068,918	79,046,854	20,692,023	19,705,742	80,033,135	26,179,984	1,630,824
Section 901(j) income	41,647	286	0	1	285	283	0
Income resourced by treaty	144,099	29,171	49	5,324	23,895	1,865	291
<b>WHOLESALE AND RETAIL TRADE</b>							
All income types	13,918,660	4,305,781	1,393,571	863,936	4,835,416	849,127	147,286
Passive income	634,485	116,988	20,716	7,275	130,429	48,314	9,946
High withholding tax interest	28,907	5,354	0	515	4,838	4,838	0
Financial services income	1,327,038	137,953	61,294	13,938	185,309	44,363	17,846
Shipping income	*5,639	*1,489	*0	*0	*1,489	*412	*0
Dividends from an IC-DISC or former DISC [1]	*12	*2	*0	*0	*2	*2	*2
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d	d
General limitation income	11,799,312	4,008,677	1,311,562	841,914	4,478,325	748,114	119,489
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	*123,067	*35,318	*0	*295	*35,023	*3,083	*3
<b>TRANSPORTATION AND WAREHOUSING</b>							
All income types	2,574,162	437,532	87,769	121,549	403,753	167,498	23,619
Passive income	22,362	3,583	1,738	2	5,319	658	130
High withholding tax interest	8,314	2,240	0	173	2,067	2,067	0
Financial services income	*4,348	*4	*0	*2	*1	*1	*1
Shipping income	*967,687	*231,698	*0	*61,995	*169,702	*87,586	*4,814
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	1,571,451	200,008	86,031	59,376	226,663	77,185	18,673
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Taxable Income (less loss) after adjustments	Foreign taxes available for credit				Foreign taxes paid or accrued	
		Total	Reduction for certain foreign taxes	Carryover	Total paid, accrued, and deemed paid	Total	Taxes withheld at source on-
							Dividends
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>INFORMATION</b>							
All income types	18,333,247	3,606,331	290,931	540,631	3,356,631	1,574,306	44,223
Passive income	1,236,312	170,545	2,089	3,233	169,401	6,597	42
High withholding tax interest	*2,714	*619	*0	*327	*293	*293	*0
Financial services income	15,178	57	0	0	57	57	0
Shipping income	*4,703	*13	*0	*0	*13	*0	*0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d	d
General limitation income	17,074,071	3,426,245	288,842	528,221	3,186,867	1,567,359	44,181
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d	d	d
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>							
All income types	33,662,513	7,226,599	331,972	623,509	6,935,063	3,497,336	283,314
Passive income	2,176,903	431,412	3	3,922	427,494	423,739	34,868
High withholding tax interest	187,039	70,796	0	23,660	47,136	46,159	34
Financial services income	29,718,692	6,418,074	300,744	551,291	6,167,526	2,872,644	240,954
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	1,554,745	299,754	31,225	39,309	291,670	154,493	7,459
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d	d
<b>SERVICES</b>							
All income types	32,584,568	9,197,459	907,709	983,326	9,121,841	3,199,644	292,605
Passive income	477,437	79,633	2,277	8,970	72,940	34,507	13,654
High withholding tax interest	230,799	64,092	0	255	63,837	42,430	0
Financial services income	24,325,946	6,646,558	115,213	511,427	6,250,344	2,219,032	241,474
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*22	*11	*0	[7]	*11	*11	*11
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*382,787	*0	*0	*0	*0	*0	*0
General limitation income	7,067,283	2,401,382	790,218	459,949	2,731,652	902,171	36,105
Section 901(j) income	*2,105	*0	*0	*0	*0	*0	*0
Income resourced by treaty	*4,900	*2,127	*0	*612	*1,515	*134	*0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Foreign taxes available for credit—continued						
	Foreign taxes paid or accrued—continued						Taxes deemed paid
	Taxes withheld at source on—continued		Other taxes paid or accrued on—				
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
	(31)	(32)	(33)	(34)	(35)	(36)	(37)
ALL INDUSTRIES							
All income types	1,071,103	3,702,391	6,544,113	70,312	536,332	23,899,153	72,635,706
Passive income	443,192	48,968	15,558	0	607	124,639	1,042,606
High withholding tax interest	136,796	0	0	0	0	0	23,740
Financial services income	281,598	62,721	2,846,252	0	108,283	1,643,356	7,730,568
Shipping income	1,265	11,757	57,526	1,597	212	21,923	130,339
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	*0	*15	*0	*0	*3	*0	*0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*0	*0	*0
General limitation income	208,252	3,577,990	3,621,752	68,714	427,222	22,102,411	63,652,164
Section 901(j) income	0	283	0	0	0	5,726	2
Income resourced by treaty	0	657	3,025	0	6	1,099	56,288
AGRICULTURE, FORESTRY, FISHING, AND HUNTING							
All income types	40	292	1,939	0	361	2,513	3,815
Passive income	13	13	0	0	0	9	110
High withholding tax interest	0	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	27	278	1,939	0	361	2,504	3,705
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0
MINING							
All income types	30,053	15,658	267,111	1,338	19,319	1,844,291	2,274,941
Passive income	19,526	74	1,594	0	0	33,300	60,494
High withholding tax interest	*1,115	*0	*0	*0	*0	*0	*0
Financial services income	*0	*0	*0	*0	*0	*0	*0
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	9,412	15,584	265,517	1,338	19,319	1,805,266	2,214,447
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	0	0	0	0	0	0	0
UTILITIES							
All income types	3,782	0	59,201	0	0	6,193	53,250
Passive income	*1	*0	*0	*0	*0	*0	*1,759
High withholding tax interest	0	0	0	0	0	0	0
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	*3,782	*0	*59,201	*0	*0	*6,193	*51,491
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0

Footnotes at end of table.



# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Foreign taxes available for credit—continued						Taxes deemed paid
	Foreign taxes paid or accrued—continued						
	Taxes withheld at source on—continued		Other taxes paid or accrued on—				
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
	(31)	(32)	(33)	(34)	(35)	(36)	(37)
CONSTRUCTION							
All income types	170	12,690	4,083	0	30,170	9,349	64,615
Passive income	96	6,175	0	0	0	7,143	1,100
High withholding tax interest	d	d	d	d	d	d	d
Financial services income	0	0	0	0	0	0	0
Shipping income	0	0	0	0	0	0	0
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	73	6,515	4,083	0	30,170	2,205	63,515
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0
MANUFACTURING							
All income types	179,153	2,466,159	2,206,827	49,385	98,527	20,017,936	54,874,292
Passive income	34,431	11,576	9,107	0	54	54,675	687,375
High withholding tax interest	39,926	0	0	0	0	0	1,355
Financial services income	9,111	200	45,611	0	1,689	249,777	263,427
Shipping income	[7]	0	0	0	212	10,584	46,952
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	*0	*14	*0	*0	*3	*0	*0
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*0	*0	*0
General limitation income	95,685	2,453,428	2,151,192	49,385	96,570	19,702,900	53,853,151
Section 901(j) income	0	283	0	0	0	0	2
Income resourced by treaty	0	657	917	0	0	0	22,031
WHOLESALE AND RETAIL TRADE							
All income types	61,318	181,990	324,022	771	9,064	124,677	3,986,289
Passive income	7,453	19,604	93	0	24	11,193	82,114
High withholding tax interest	4,838	0	0	0	0	0	0
Financial services income	1,827	0	14,796	0	0	9,893	140,947
Shipping income	*0	*0	[7]	*0	*0	*412	*1,076
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d	d
General limitation income	47,198	162,384	307,158	771	9,034	102,080	3,730,210
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	*0	*0	*1,975	*0	*6	*1,099	*31,941
TRANSPORTATION AND WAREHOUSING							
All income types	4,427	22,478	63,270	1,607	38,103	13,992	236,255
Passive income	183	98	0	0	0	246	4,661
High withholding tax interest	2,067	0	0	0	0	0	0
Financial services income	*0	*0	*0	*0	*0	*0	*0
Shipping income	*1,265	*11,757	*57,526	*1,597	*0	*10,626	*82,116
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	912	10,622	5,744	10	38,103	3,119	149,478
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	0	0	0	0	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 2. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes, by Industrial Sector and by Type of Foreign Income for Which Separate Credit Was Computed—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Industrial sector and type of foreign income for which separate credit was computed	Foreign income and taxes reported on Form 1118—continued						
	Foreign taxes available for credit—continued						Taxes deemed paid
	Foreign taxes paid or accrued—continued						
	Taxes withheld at source on—continued		Other taxes paid or accrued on—				
	Interest	Rents, royalties, and license fees	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
	(31)	(32)	(33)	(34)	(35)	(36)	(37)
INFORMATION							
All income types	2,858	751,802	450,272	12,750	13,274	299,127	1,782,325
Passive income	354	5,453	719	0	0	29	162,804
High withholding tax interest	*293	*0	*0	*0	*0	*0	*0
Financial services income	0	57	0	0	0	0	0
Shipping income	*0	*0	*0	*0	*0	*0	*13
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	d	d	d	d	d	d	d
General limitation income	2,211	746,291	449,554	12,750	13,274	299,098	1,619,507
Section 901(j) income	d	d	d	d	d	d	d
Income resourced by treaty	d	d	d	d	d	d	d
FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING							
All income types	533,117	46,247	1,437,876	4,402	105,057	1,087,323	3,437,727
Passive income	376,007	3,332	1	0	0	9,531	3,755
High withholding tax interest	46,125	0	0	0	0	0	978
Financial services income	95,834	29,541	1,397,124	0	61,365	1,047,826	3,294,882
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	0	0	0	0	0	0	0
Miscellaneous separately calculated limitation income	0	0	0	0	0	0	0
Distributions from a FSC or former FSC [2]	0	0	0	0	0	0	0
General limitation income	15,151	13,374	40,751	4,402	43,692	29,664	137,177
Section 901(j) income	0	0	0	0	0	0	0
Income resourced by treaty	d	d	d	d	d	d	d
SERVICES							
All income types	256,184	205,076	1,729,512	59	222,457	493,751	5,922,197
Passive income	5,127	2,642	4,044	0	528	8,512	38,433
High withholding tax interest	42,430	0	0	0	0	0	21,407
Financial services income	174,826	32,922	1,388,721	0	45,229	335,859	4,031,313
Shipping income	d	d	d	d	d	d	d
Dividends from an IC-DISC or former DISC [1]	*0	*0	*0	*0	*0	*0	*0
Miscellaneous separately calculated limitation income	d	d	d	d	d	d	d
Distributions from a FSC or former FSC [2]	*0	*0	*0	*0	*0	*0	*0
General limitation income	33,801	169,512	336,614	59	176,700	149,380	1,829,481
Section 901(j) income	*0	*0	*0	*0	*0	*0	*0
Income resourced by treaty	*0	*0	*134	*0	*0	*0	*1,382

\* Data should be used with caution because of the small number of sample returns on which they were based.

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] Interest-Charge Domestic International Sales Corporation (IC-DISC) and Domestic International Sales Corporation (DISC).

[2] Foreign Sales Corporation (FSC).

[3] Number of returns from each income type does not sum to the amount for all income types as corporations can have more than one income type.

[4] Included in gross income (less loss) shown in columns 2-8.

[5] Column 32 exceeds the sum of columns 33 through 35 because some corporations do not file a Schedule H to support the not allocable deductions reported on Schedule A.

[6] Included in deductions shown in columns 11-20.

[7] Less than \$500.

NOTE: Detail may not add to totals because of rounding.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Number of returns	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All geographic areas</b>	<b>5,837</b>	<b>914,741,013</b>	<b>397,776,032</b>	<b>60,552,267</b>	<b>84,522,193</b>	<b>98,517,129</b>
<b>Canada</b>	<b>1,919</b>	<b>64,438,322</b>	<b>28,659,604</b>	<b>6,584,409</b>	<b>6,116,519</b>	<b>6,815,250</b>
<b>Latin America, total</b>	<b>1,374</b>	<b>69,259,510</b>	<b>24,066,567</b>	<b>5,448,784</b>	<b>8,785,252</b>	<b>9,728,309</b>
Mexico	1,000	15,458,900	4,761,556	1,469,664	1,284,059	3,285,360
Central America, total	298	2,065,050	1,002,011	79,882	280,814	227,436
Costa Rica	152	354,661	171,308	10,390	25,498	94,624
El Salvador	119	170,382	45,567	5,066	50,274	25,869
Guatemala	140	313,215	84,585	16,788	33,710	31,082
Honduras	116	158,786	81,465	11,864	22,353	9,456
Nicaragua	64	27,604	123	56	4,831	4,327
Panama (including Canal Zone)	181	1,031,308	617,957	35,592	142,334	61,529
Other Central American countries	38	9094	1005	126	1814	550
Caribbean countries, total	379	22,767,424	13,389,208	2,425,955	3,940,925	563,061
Barbados	97	1,132,402	1,025,740	9,535	12,345	49,289
Cayman Islands (British)	216	18,833,959	12,003,900	2,365,935	3,712,274	412,257
Dominican Republic	167	338,432	118,810	3,895	92,113	26,549
Haiti	39	46,695	166	31	6,740	828
Jamaica	101	208,841	4,816	2,239	49,768	15,407
Trinidad and Tobago	124	2,168,743	235,072	44,319	67,602	56,081
Other Caribbean countries	40	38,351	704	0	84	2,649
South America, total	853	28,905,496	4,913,791	1,473,283	3,278,757	5,646,364
Argentina	331	5,455,736	725,161	433,081	580,169	2,100,976
Bolivia	84	92,780	14,432	2,352	4,188	3,402
Brazil	592	7,973,592	2,120,774	487,198	1,375,962	1,282,284
Chile	367	5,358,581	842,682	129,491	636,972	147,185
Colombia	368	1,793,879	147,066	75,560	171,331	190,082
Ecuador	199	827,260	56,209	17,127	26,316	25,833
Paraguay	63	63,680	34,814	14,845	8,259	2,421
Peru	229	3,099,443	298,795	67,369	123,333	1,668,228
Uruguay	110	190,575	56,621	4,476	54,398	20,309
Venezuela	264	3,884,927	568,609	215,697	292,206	203,859
Other South American countries	40	165,042	48,628	26,087	5,623	1,786
Latin America not allocable	*8	*62,641	*0	*0	*696	*6,088
<b>Other Western Hemisphere, total</b>	<b>360</b>	<b>44,973,630</b>	<b>36,760,814</b>	<b>2,467,524</b>	<b>1,573,359</b>	<b>1,963,364</b>
Bahamas	125	3,961,339	2,199,381	1,095,585	397,765	21,043
Bermuda	246	31,543,837	26,149,362	1,128,358	887,272	1,909,192
British Virgin Islands	98	5,331,226	4,734,805	120,057	100,214	4,946
Netherlands Antilles	92	3,948,124	3,606,812	117,937	166,630	13,943
All other Western Hemisphere	102	189,105	70,454	5,588	21,478	14,241
<b>Europe, total</b>	<b>2,129</b>	<b>462,001,208</b>	<b>254,440,062</b>	<b>33,597,241</b>	<b>40,878,388</b>	<b>40,020,054</b>
European Union, total	2,041	385,124,507	212,328,281	28,076,023	38,235,069	35,264,759
Austria	231	2,307,307	670,298	106,030	82,452	723,544
Belgium	337	7,583,049	1,980,444	565,592	549,746	887,478
Czech Republic	159	2,917,143	220,205	105,478	36,528	2,125,700
Denmark	245	3,215,380	817,337	823,453	126,336	243,979
Finland	277	1,171,535	415,208	174,168	109,157	222,784
France	636	12,686,432	3,507,348	1,017,704	1,614,096	2,904,195
Germany	654	24,635,711	5,135,882	1,636,112	1,506,170	6,061,502
Greece	182	401,645	133,893	62,372	22,249	131,788

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Number of returns	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Europe, total—continued</b>						
European Union, total—continued						
Hungary	173	1,592,618	886,930	43,835	33,679	529,481
Ireland	333	43,723,717	32,936,486	990,108	397,438	6,944,895
Italy	486	7,405,082	1,772,149	952,749	401,048	1,601,868
Luxembourg	193	32,307,503	26,292,773	3,976,946	1,288,184	282,246
Netherlands	886	113,940,989	97,615,742	7,014,996	2,137,137	3,764,594
Poland	233	1,118,764	413,149	136,422	89,189	233,777
Portugal (including Azores)	211	2,106,564	1,143,661	576,702	31,463	170,413
Spain (including Canary Islands)	443	11,447,085	6,498,437	2,311,304	231,236	1,081,017
Sweden	318	4,585,432	2,232,434	161,633	255,205	1,457,488
United Kingdom and Northern Ireland	1,189	111,036,358	29,072,507	7,366,104	29,287,751	5,788,958
Other European Union countries	171	942,194	583,395	54,313	36,003	109,050
Other European countries, total	621	76,876,701	42,111,781	5,521,218	2,643,319	4,755,295
Jersey	32	1,797,538	435,594	19,781	389,958	11,919
Kazakhstan	76	3,703,809	14,689	3,042	257,247	8,508
Norway	217	14,656,351	888,356	1,776,190	887,044	108,328
Romania	101	237,718	88,297	21,784	4,393	35,483
Russia	203	2,553,640	67,927	10,896	261,612	247,867
Switzerland	460	50,381,902	39,206,151	3,573,624	450,348	3,708,931
Turkey	190	1,059,838	286,843	76,506	252,571	43,447
Ukraine	71	188,539	19,464	11,352	31,456	24,379
Other European countries	203	2,297,366	1,104,460	28,041	108,690	566,433
<b>Africa, total</b>	<b>454</b>	<b>17,885,584</b>	<b>3,631,623</b>	<b>1,486,702</b>	<b>1,093,962</b>	<b>478,693</b>
Algeria	39	98,506	15,190	0	19,058	824
Angola	51	3,296,773	2,080,237	1,029,781	801	105
Chad	13	984,453	211,720	8,629	7,037	440
Egypt	140	1,419,141	40,235	12,487	125,513	80,424
Equatorial Guinea	15	3,044,026	180,111	15,493	20	4,033
Gabon	18	222,354	84,087	26,136	6,686	200
Mauritius	70	192,322	66,772	4,274	33,361	16,183
Nigeria	89	5,023,363	87,166	64,315	515,593	12,743
South Africa	294	2,191,940	636,290	273,956	280,583	264,546
Other African countries	205	1,412,705	229,816	51,630	105,310	99,197
<b>Asia, total</b>	<b>1,574</b>	<b>132,742,389</b>	<b>35,529,867</b>	<b>8,955,255</b>	<b>10,100,874</b>	<b>22,640,426</b>
Middle East, total	430	11,723,360	1,103,866	106,196	750,806	542,678
Bahrain	73	430,544	12,480	297	254,477	4,429
Iraq	34	880,533	0	0	510	40,567
Israel	300	1,187,976	617,643	63,252	154,553	118,383
Kuwait	82	506,636	202,584	2,118	189	69,962
Lebanon	78	30,071	1,628	64	8,141	8,742
Qatar	83	1,710,045	4,391	0	97,399	32,049
Saudi Arabia	152	4,184,261	70,196	4,403	90,891	124,038
United Arab Emirates	142	1,676,610	105,492	16,674	135,169	94,033
Yemen	23	848,357	71,709	18,947	225	4,225
Other Middle East countries	104	268,327	17,743	440	9,252	46,248

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Number of returns	Foreign income and taxes reported on Form 1118				
		Gross income (less loss)				
		Total	Dividends	Foreign dividend income from foreign taxes deemed paid (gross-up)	Interest	Rents, royalties, and license fees
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Asia, total—continued</b>						
Southern and Southeast Asia, total	820	40,796,614	15,977,634	2,297,127	3,332,373	4,114,319
Bangladesh	35	74,263	841	1,037	17,115	1,244
India	406	3,336,431	887,208	218,356	854,812	272,964
Indonesia	232	6,218,701	663,706	351,761	404,701	136,018
Malaysia	317	7,707,017	3,562,434	127,015	187,707	1,431,309
Pakistan	97	522,211	19,557	18,064	102,128	6,318
Philippines	263	3,418,405	1,276,335	268,514	425,211	181,582
Singapore	493	15,436,220	8,240,420	881,240	769,496	1,757,163
Sri Lanka	52	66,642	17,087	3,647	14,138	5,693
Thailand	345	3,453,933	1,297,096	426,584	526,914	254,609
Vietnam	84	116,726	4,248	630	21,483	13,020
Other Southern and Southeast Asian countries	88	446,065	8,703	278	8,668	54,401
<b>Eastern Asia, total</b>	1,294	79,000,787	18,414,990	6,548,566	5,370,699	17,488,466
China	519	13,438,712	3,438,102	201,096	446,927	6,128,565
Hong Kong	447	12,493,931	5,441,050	430,397	1,535,278	602,657
Japan (including Okinawa and Ryukyu Islands)	921	38,028,230	6,336,759	5,057,327	1,897,548	8,475,184
South Korea, Republic of	461	5,722,078	1,640,215	457,738	472,356	1,446,388
Taiwan	403	9,222,062	1,558,863	402,008	1,018,351	766,927
Other Eastern Asian countries	46	95,775	0	0	239	68,746
Asia not allocable	14	124,628	39,141	3,366	1,914	48,982
<b>Oceania, total</b>	767	19,114,918	6,340,811	1,279,816	3,074,646	2,046,194
Australia	672	16,795,504	5,534,706	1,119,182	2,515,911	1,874,774
New Zealand	334	1,960,210	606,623	158,889	547,009	167,899
Other countries of Oceania	94	359,205	199,483	1,745	11,726	3,521
<b>Puerto Rico and U.S. Possessions, total</b>	499	17,449,466	4,519,792	110,103	1,297,945	7,526,338
Puerto Rico	445	16,810,606	4,468,952	97,756	1,141,079	7,502,276
U.S. Possessions, total	170	638,860	50,840	12,347	156,866	24,062
American Samoa	21	11,306	1,462	747	6,083	575
Guam	121	371,761	34,686	8,866	112,203	9,395
Virgin Islands, U.S.	96	231,835	13,084	2,700	19,469	13,303
Other U.S. Possessions	18	23,958	1,606	34	19,112	789
<b>Country not stated</b>	2,591	47,766,441	2,162,490	622,434	12,205,472	7,698,956
<b>Section 863 income [1]</b>	311	38,547,906	0	0	40,859	45,524
<b>Foreign Sales Corporation dividends [1]</b>	*9	*1,657,421	*1,657,421	*0	*0	*0
<b>Interest-Charge Domestic International Sales Corporation dividends [1]</b>	47	1,218	1,218	0	0	0

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Total deductions	Deductions from oil and gas extraction income [3]
	Service income	Other income	Oil and gas extraction income [2]	Foreign branch income [2]		
	(7)	(8)	(9)	(10)	(11)	(12)
<b>All geographic areas</b>	<b>28,708,344</b>	<b>244,665,047</b>	<b>67,647,545</b>	<b>122,056,453</b>	<b>512,833,409</b>	<b>12,595,373</b>
<b>Canada</b>	<b>2,117,596</b>	<b>14,144,945</b>	<b>3,338,491</b>	<b>7,411,248</b>	<b>33,220,889</b>	<b>934,317</b>
<b>Latin America, total</b>	<b>1,765,131</b>	<b>19,465,467</b>	<b>6,995,258</b>	<b>9,096,034</b>	<b>35,167,785</b>	<b>1,643,301</b>
Mexico	711,730	3,946,530	80	2,011,798	6,812,120	63
Central America, total	52,420	422,488	8	156,982	1,236,045	-16
Costa Rica	6,924	45,917	0	24,356	214,601	0
El Salvador	5,962	37,643	0	11,256	92,770	0
Guatemala	23,680	123,372	0	20,772	233,865	-16
Honduras	2,837	30,811	0	6,406	81,302	0
Nicaragua	839	17,429	0	132	8,645	0
Panama (including Canal Zone)	7,663	166,232	8	92,539	599,440	0
Other Central American countries	4514	1085	0	1521	5421	0
Caribbean countries, total	155,396	2,292,878	2,174,805	535,014	13,470,547	498,367
Barbados	2,214	33,279	258	8,887	861,659	0
Cayman Islands (British)	40,058	299,535	945,397	203,137	11,093,323	32,662
Dominican Republic	5,685	91,379	0	98,837	232,667	0
Haiti	5,366	33,565	0	34,263	32,559	0
Jamaica	76,982	59,629	0	87,775	215,848	0
Trinidad and Tobago	8,829	1,756,840	1,229,150	104,364	901,419	465,705
Other Caribbean countries	16,264	18,651	0	-2,250	133,073	0
South America, total	845,585	12,747,715	4,820,364	6,387,306	13,604,276	1,144,886
Argentina	73,599	1,542,750	1,529,057	724,191	3,999,155	577,166
Bolivia	3,447	64,959	1,032	12,938	81,457	37
Brazil	329,108	2,378,268	103,740	1,161,010	3,939,774	45,154
Chile	26,808	3,575,443	13,976	598,480	1,978,069	0
Colombia	213,041	996,799	477,778	242,443	960,732	182,962
Ecuador	40,324	661,450	31,954	96,388	333,291	50,824
Paraguay	325	3,017	0	6,387	16,736	0
Peru	100,483	841,235	279,495	1,898,664	1,093,984	5,936
Uruguay	6,166	48,604	0	67,210	122,615	0
Venezuela	41,832	2,562,724	2,383,331	1,518,052	969,975	282,807
Other South American countries	10,452	72,466	0	61,545	108,488	0
Latin America not allocable	*0	*55,856	*0	*4,935	*44,797	*0
<b>Other Western Hemisphere, total</b>	<b>189,056</b>	<b>2,019,513</b>	<b>416,602</b>	<b>1,322,350</b>	<b>26,738,167</b>	<b>31,965</b>
Bahamas	4,697	242,868	92,551	1,202,385	1,253,243	206
Bermuda	146,751	1,322,902	324,052	51,664	18,962,103	31,760
British Virgin Islands	588	370,615	0	37,395	2,832,729	0
Netherlands Antilles	14,421	28,381	0	7,661	3,570,127	0
All other Western Hemisphere	22,598	54,747	0	23,245	119,965	0
<b>Europe, total</b>	<b>11,701,493</b>	<b>81,363,971</b>	<b>33,348,372</b>	<b>56,575,908</b>	<b>257,979,255</b>	<b>5,841,365</b>
European Union, total	11,009,413	60,210,963	19,618,053	48,929,518	221,118,453	3,506,899
Austria	43,579	681,404	11	385,696	2,040,800	17
Belgium	179,644	3,420,145	14	994,481	4,425,683	134
Czech Republic	32,167	397,065	0	351,430	915,555	0
Denmark	39,104	1,165,170	1,792,397	298,232	875,032	52,724
Finland	33,332	216,885	62	122,619	410,010	61
France	943,382	2,699,707	7,525	1,456,515	7,472,390	7,310
Germany	2,793,704	7,502,341	787	7,405,804	16,086,483	375
Greece	82,168	-30,826	43	33,093	308,464	42

Footnotes at end of table.



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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Total deductions	Deductions from oil and gas extraction income [3]
	Service income	Other income	Oil and gas extraction income [2]	Foreign branch income [2]		
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Europe, total—continued</b>						
European Union, total—continued						
Hungary	16,182	82,511	9	54,841	539,922	9
Ireland	318,828	2,135,963	59	721,733	21,242,797	0
Italy	972,120	1,705,149	7,160	1,232,612	4,039,186	2,375
Luxembourg	1,747	465,607	1,030,512	291,427	16,724,766	0
Netherlands	403,518	3,005,001	486,662	1,948,721	77,156,744	121,925
Poland	40,400	205,826	0	241,223	508,321	0
Portugal (including Azores)	17,969	166,355	1,178,909	102,384	424,485	27,167
Spain (including Canary Islands)	309,192	1,015,897	1,302,240	705,411	3,598,882	2,739
Sweden	65,282	413,390	28	315,506	2,921,759	27
United Kingdom and Northern Ireland	4,695,432	34,825,606	13,811,634	32,141,055	60,768,211	3,291,988
Other European Union countries	21,664	137,769	0	126,736	658,964	7
Other European countries, total	692,080	21,153,009	13,730,319	7,646,390	36,860,802	2,334,467
Jersey	0	940,286	0	1,538,310	971,471	0
Kazakhstan	104,223	3,316,100	3,277,365	15,015	634,316	256,902
Norway	76,393	10,920,040	10,276,675	2,516,083	3,051,846	2,021,734
Romania	31,271	56,489	914	61,941	113,707	888
Russia	92,178	1,873,160	64,292	1,719,078	1,926,598	52,436
Switzerland	274,169	3,168,678	39	1,378,543	27,694,464	69
Turkey	19,119	381,352	535	253,413	515,919	561
Ukraine	5,194	96,695	0	49,457	111,078	0
Other European countries	89,533	400,209	110,499	114,549	1,841,402	1,877
<b>Africa, total</b>	<b>579,200</b>	<b>10,615,403</b>	<b>11,880,595</b>	<b>2,327,032</b>	<b>4,373,627</b>	<b>1,910,649</b>
Algeria	3,080	60,355	222	23,382	53,284	726
Angola	33,732	152,118	3,207,214	27,732	243,288	164,456
Chad	227	756,400	937,004	9,665	204,747	192,270
Egypt	107,282	1,053,201	692,999	326,379	908,728	415,528
Equatorial Guinea	8,745	2,835,624	2,893,914	467,029	829,485	591,639
Gabon	86,173	19,073	177,432	109,642	35,404	15,153
Mauritius	985	70,746	0	65	118,098	0
Nigeria	27,336	4,316,210	3,709,688	192,154	564,898	410,693
South Africa	80,497	656,068	132	723,896	819,651	128
Other African countries	231,143	695,610	261,990	447,087	596,044	120,056
<b>Asia, total</b>	<b>4,493,641</b>	<b>51,022,326</b>	<b>9,784,786</b>	<b>34,127,875</b>	<b>71,336,675</b>	<b>1,889,345</b>
Middle East, total	1,390,499	7,829,315	3,126,560	1,628,067	5,125,480	519,238
Bahrain	59,353	99,507	-1,326	44,379	300,286	-3,815
Iraq	736,634	102,822	0	182,688	713,295	0
Israel	102,497	131,648	0	301,893	954,559	15,339
Kuwait	103,401	128,380	38,651	54,218	196,415	18,800
Lebanon	703	10,792	0	9,546	32,255	0
Qatar	71,107	1,505,099	1,029,445	59,639	375,808	113,223
Saudi Arabia	137,703	3,757,031	1,449,758	220,312	906,777	142,420
United Arab Emirates	42,201	1,283,041	223,181	594,456	1,205,231	107,260
Yemen	165	753,086	386,838	97,741	260,465	125,856
Other Middle East countries	136,735	57,908	14	63,194	180,388	154

Footnotes at end of table.

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Gross income (less loss)—continued				Total deductions	Deductions from oil and gas extraction income [3]
	Service income	Other income	Oil and gas extraction income [2]	Foreign branch income [2]		
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Asia, total—continued</b>						
Southern and Southeast Asia, total	1,129,466	13,945,695	5,985,324	6,097,454	21,080,740	898,874
Bangladesh	565	53,461	0	45,491	52,078	0
India	190,037	913,054	34	1,330,848	2,019,887	32
Indonesia	36,419	4,626,097	1,989,789	759,936	2,360,287	520,467
Malaysia	30,742	2,367,810	1,228,248	220,744	4,295,603	184,338
Pakistan	10,431	365,713	119,888	167,540	273,433	41,242
Philippines	51,767	1,214,996	1,596,504	631,623	1,038,748	24,620
Singapore	422,696	3,365,206	1,420	2,179,286	8,922,789	1,386
Sri Lanka	1,967	24,109	0	22,052	31,477	0
Thailand	65,376	883,355	1,049,104	641,238	1,654,510	127,414
Vietnam	6,289	71,056	335	36,757	116,784	-626
Other Southern and Southeast Asian countries	313,176	60,840	1	61,940	315,145	1
Eastern Asia, total	1,972,514	29,205,553	672,902	26,341,814	44,050,339	122,192
China	335,869	2,888,153	661,567	2,089,314	6,458,386	111,950
Hong Kong	530,408	3,954,140	227	2,675,758	8,819,004	178
Japan (including Okinawa and Ryukyu Islands)	383,928	15,877,484	8,453	15,025,792	19,702,308	7,485
South Korea, Republic of	327,528	1,377,853	2,656	968,564	2,403,146	2,580
Taiwan	393,580	5,082,333	0	5,581,279	6,608,303	0
Other Eastern Asian countries	1,201	25,590	0	1,106	59,192	0
Asia not allocable	1,720	29,505	0	8,563	36,124	0
<b>Oceania, total</b>	<b>419,382</b>	<b>5,954,069</b>	<b>1,843,477</b>	<b>3,209,163</b>	<b>9,326,745</b>	<b>248,635</b>
Australia	392,926	5,358,006	1,740,023	2,941,194	8,236,348	240,116
New Zealand	25,025	454,765	0	158,146	1,047,297	5
Other countries of Oceania	1,431	141,299	103,454	109,824	43,100	8,514
<b>Puerto Rico and U.S. Possessions, total</b>	<b>478,236</b>	<b>3,517,052</b>	<b>9</b>	<b>3,490,746</b>	<b>10,281,310</b>	<b>9</b>
Puerto Rico	395,845	3,204,698	9	3,114,700	9,819,694	9
U.S. Possessions, total	82,390	312,354	0	376,046	461,615	0
American Samoa	750	1,689	0	5,546	5,336	0
Guam	44,470	162,141	0	227,108	250,783	0
Virgin Islands, U.S.	35,399	147,880	0	125,033	191,093	0
Other U.S. Possessions	1,771	645	0	18,360	14,403	0
<b>Country not stated</b>	<b>5,793,055</b>	<b>19,284,035</b>	<b>39,956</b>	<b>4,535,450</b>	<b>42,473,990</b>	<b>444,827</b>
<b>Section 863 income [1]</b>	<b>1,170,998</b>	<b>37,290,524</b>	<b>0</b>	<b>12,625</b>	<b>21,705,238</b>	<b>0</b>
<b>Foreign Sales Corporation dividends [1]</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>	<b>*1,273,576</b>	<b>*0</b>
<b>Interest-Charge Domestic International Sales Corporation dividends [1]</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>146</b>	<b>0</b>

Footnotes at end of table.

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Taxable income (less loss) before adjustments	Foreign taxes paid, accrued, and deemed paid				
		Total	Foreign taxes paid or accrued			
			Total	Taxes withheld at source on:		
				Dividends	Interest	Rents, royalties, and license fees
	(13)	(14)	(15)	(16)	(17)	(18)
<b>All geographic areas</b>	<b>401,907,604</b>	<b>111,609,398</b>	<b>38,973,691</b>	<b>3,150,287</b>	<b>1,071,103</b>	<b>3,702,391</b>
<b>Canada</b>	<b>31,217,434</b>	<b>10,493,302</b>	<b>2,506,884</b>	<b>573,070</b>	<b>138,259</b>	<b>181,387</b>
<b>Latin America, total</b>	<b>34,091,725</b>	<b>10,869,117</b>	<b>5,098,303</b>	<b>684,429</b>	<b>121,978</b>	<b>1,093,822</b>
Mexico	8,646,779	2,379,410	727,218	21,270	37,415	199,163
Central America, total	829,005	142,731	49,737	1,910	1,215	17,927
Costa Rica	140,059	24,951	8,565	1,355	51	4,731
El Salvador	77,612	9,145	4,041	58	85	1,804
Guatemala	79,350	45,663	22,084	109	215	6,227
Honduras	77,484	16,023	4,159	99	495	1,534
Nicaragua	18,960	1,739	1,683	0	0	732
Panama (including Canal Zone)	431,867	44,884	9,006	138	368	2,898
Other Central American countries	3673	324	198	150	0	0
Caribbean countries, total	9,296,877	3,138,292	619,164	10,936	4,084	4,980
Barbados	270,743	16,169	6,015	1,918	9	66
Cayman Islands (British)	7,740,636	2,456,971	114	23	54	0
Dominican Republic	105,765	22,956	18,491	601	2,325	2,472
Haiti	14,137	7,200	7,168	32	92	21
Jamaica	-7,006	21,811	18,510	1,004	1,599	714
Trinidad and Tobago	1,267,324	613,027	568,708	7,359	5	1,707
Other Caribbean countries	-94,722	157	157	0	0	0
South America, total	15,301,220	5,207,963	3,701,463	650,313	79,264	871,117
Argentina	1,456,582	838,280	399,640	468	6,766	180,239
Bolivia	11,322	6,344	3,692	726	114	374
Brazil	4,033,818	985,919	494,226	41,672	33,570	145,681
Chile	3,380,513	1,073,225	940,066	555,463	6,380	28,857
Colombia	833,147	353,577	270,325	8,007	20,462	43,506
Ecuador	493,969	131,942	114,815	1,962	863	5,965
Paraguay	46,945	17,652	2,807	1,149	529	173
Peru	2,005,459	797,674	721,559	34,513	2,743	456,132
Uruguay	67,960	13,398	8,819	0	0	1,776
Venezuela	2,914,952	781,081	563,352	2,687	7,838	8,412
Other South American countries	56,554	208,870	182,161	3,665	0	0
Latin America not allocable	*17,843	*721	*721	*0	*0	*635
<b>Other Western Hemisphere, total</b>	<b>18,235,463</b>	<b>3,124,529</b>	<b>62,146</b>	<b>49,929</b>	<b>260</b>	<b>243</b>
Bahamas	2,708,096	1,120,615	342	0	1	0
Bermuda	12,581,734	1,412,801	1,407	27	0	0
British Virgin Islands	2,498,497	192,858	42,320	41,820	211	18
Netherlands Antilles	377,997	376,575	2,249	199	0	4
All other Western Hemisphere	69,139	21,680	15,827	7,883	47	221
<b>Europe, total</b>	<b>204,021,953</b>	<b>57,689,182</b>	<b>15,213,021</b>	<b>1,001,546</b>	<b>574,039</b>	<b>395,874</b>
European Union, total	164,006,054	44,374,457	7,917,634	692,872	561,535	366,218
Austria	266,507	191,073	40,472	7,292	79	1,319
Belgium	3,157,367	804,645	168,747	18,871	2,114	1,859
Czech Republic	2,001,589	152,132	45,309	7,340	1	4,944
Denmark	2,340,347	1,248,284	388,302	2,118	9	512
Finland	761,524	197,333	22,644	4,022	28	9,109
France	5,214,042	1,768,767	460,192	103,185	16,749	52,352
Germany	8,549,227	2,805,814	754,410	54,346	23,907	28,885
Greece	93,181	86,546	16,760	113	1,987	1,595

Footnotes at end of table.

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Taxable income (less loss) before adjustments	Foreign taxes paid, accrued, and deemed paid				
		Total	Total	Foreign taxes paid or accrued		
				Taxes withheld at source on:		
				Dividends	Interest	Rents, royalties, and license fees
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Europe, total—continued</b>						
European Union, total—continued						
Hungary	1,052,696	61,763	9,719	6,584	307	1
Ireland	22,480,921	2,516,333	420,992	4,020	520	722
Italy	3,365,896	1,283,464	331,181	53,300	16,557	100,123
Luxembourg	15,582,737	4,372,407	98,985	6,010	319	7,693
Netherlands	36,784,245	12,285,306	397,321	74,534	1,464	2,489
Poland	610,443	192,457	53,665	25,910	899	18,792
Portugal (including Azores)	1,682,080	637,354	49,965	19,616	4,179	12,110
Spain (including Canary Islands)	7,848,202	2,653,470	234,543	76,193	37,570	69,227
Sweden	1,663,672	467,257	18,623	2,354	552	333
United Kingdom and Northern Ireland	50,268,148	12,572,534	4,385,176	224,924	454,106	47,012
Other European Union countries	283,230	77,518	20,630	2,137	188	7,139
Other European countries, total	40,015,899	13,314,725	7,295,386	308,675	12,504	29,655
Jersey	826,067	32,350	12,569	0	0	0
Kazakhstan	3,069,492	930,067	927,025	734	11,126	85
Norway	11,604,505	7,475,489	5,695,772	3,273	147	39
Romania	124,012	38,405	16,478	6,513	0	4,815
Russia	627,042	130,725	119,583	1,823	19	689
Switzerland	22,687,438	4,454,644	390,316	279,949	449	3,861
Turkey	543,919	133,434	56,927	10,970	637	13,215
Ukraine	77,460	16,593	5,241	820	13	1,539
Other European countries	455,964	103,017	71,475	4,593	114	5,413
<b>Africa, total</b>	<b>13,511,957</b>	<b>5,552,549</b>	<b>4,047,478</b>	<b>6,294</b>	<b>12,863</b>	<b>16,755</b>
Algeria	45,222	14,761	14,761	0	0	0
Angola	3,053,485	1,035,949	6,168	0	0	0
Chad	779,706	61,345	52,716	82	0	20
Egypt	510,413	194,001	180,273	78	237	3,349
Equatorial Guinea	2,214,542	595,596	580,102	0	0	4
Gabon	186,951	63,218	37,083	0	0	0
Mauritius	74,223	20,176	15,901	0	12,605	3
Nigeria	4,458,465	2,890,747	2,826,431	131	14	4,803
South Africa	1,372,289	352,654	74,037	3,458	0	1,023
Other African countries	816,661	324,103	260,007	2,545	7	7,553
<b>Asia, total</b>	<b>61,405,714</b>	<b>18,140,178</b>	<b>8,577,234</b>	<b>615,386</b>	<b>96,078</b>	<b>1,041,000</b>
Middle East, total	6,597,879	2,490,291	2,360,134	45,336	7,668	23,330
Bahrain	130,258	322	24	0	3	2
Iraq	167,238	0	0	0	0	0
Israel	233,417	372,900	296,191	42,239	4,185	14,355
Kuwait	310,220	22,544	20,427	315	0	3,413
Lebanon	-2,185	881	816	0	0	225
Qatar	1,334,238	309,462	309,462	0	0	910
Saudi Arabia	3,277,483	1,433,063	1,417,681	2,149	3,481	3,987
United Arab Emirates	471,379	82,686	66,487	631	0	11
Yemen	587,892	261,485	242,538	0	0	0
Other Middle East countries	87,939	6,948	6,508	2	0	426

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued					
	Taxable income (less loss) before adjustments	Foreign taxes paid, accrued, and deemed paid				
		Total	Foreign taxes paid or accrued			
			Total	Taxes withheld at source on:		
				Dividends	Interest	Rents, royalties, and license fees
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Asia, total—continued</b>						
Southern and Southeast Asia, total	19,715,874	5,782,648	3,260,896	213,801	54,749	217,268
Bangladesh	22,185	19,259	18,222	381	899	14
India	1,316,544	469,311	236,586	12,486	6,138	31,871
Indonesia	3,858,414	1,937,933	1,586,125	119,215	11,040	11,263
Malaysia	3,411,414	839,734	688,516	3,018	1,224	69,816
Pakistan	248,779	94,759	76,687	793	707	202
Philippines	2,379,658	401,635	134,015	35,786	11,639	15,002
Singapore	6,513,432	1,282,598	247,153	6,869	3,575	63,105
Sri Lanka	35,165	12,735	5,066	0	353	70
Thailand	1,799,423	713,846	258,960	35,167	16,555	25,37 <sup>f</sup>
Vietnam	-59	5,599	4,969	0	2,617	341
Other Southern and Southeast Asian countries	130,920	5,240	4,596	86	0	214
Eastern Asia, total	34,950,448	9,812,911	2,905,243	355,740	33,660	771,519
China	6,980,326	702,417	342,865	1,121	1,001	266,973
Hong Kong	3,674,926	832,635	271,776	4,184	6,439	16,525
Japan (including Okinawa and Ryukyu Islands)	18,325,922	6,226,446	1,156,437	69,973	5,999	36,898
South Korea, Republic of	3,318,932	972,664	501,900	108,200	4,308	253,639
Taiwan	2,613,759	1,078,465	631,982	172,261	15,912	197,200
Other Eastern Asian countries	36,583	283	283	0	0	283
Asia not allocable	88,504	4,573	1,206	0	1	8
<b>Oceania, total</b>	<b>9,788,174</b>	<b>2,635,160</b>	<b>1,095,760</b>	<b>51,607</b>	<b>73,909</b>	<b>69,532</b>
Australia	8,559,156	2,306,972	947,060	20,221	63,529	57,447
New Zealand	912,913	279,130	102,019	31,251	9,821	11,867
Other countries of Oceania	316,105	49,058	46,681	135	559	218
<b>Puerto Rico and U.S. Possessions, total</b>	<b>7,168,157</b>	<b>1,091,904</b>	<b>981,574</b>	<b>19,090</b>	<b>3,865</b>	<b>672,904</b>
Puerto Rico	6,990,912	1,013,685	921,338	15,715	3,786	665,170
U.S. Possessions, total	177,245	78,218	60,236	3,374	79	7,734
American Samoa	5,970	1,199	451	1	0	0
Guam	120,978	62,584	48,055	2,613	79	7,642
Virgin Islands, U.S.	40,742	13,423	10,723	761	0	93
Other U.S. Possessions	9,555	1,013	1,007	0	0	0
<b>Country not stated</b>	<b>5,292,451</b>	<b>1,992,906</b>	<b>1,370,720</b>	<b>149,431</b>	<b>49,851</b>	<b>259,749</b>
<b>Section 863 income [1]</b>	<b>16,842,667</b>	<b>70,312</b>	<b>70,312</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Foreign Sales Corporation dividends [1]</b>	<b>*383,845</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>	<b>*0</b>
<b>Interest-Charge Domestic International Sales Corporation dividends [1]</b>	<b>1,072</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>0</b>

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued				
	Foreign taxes paid, accrued, and deemed paid				Taxes deemed paid
	Foreign taxes paid or accrued				
	Other taxes paid or accrued on:				
	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
	(19)	(20)	(21)	(22)	(23)
All geographic areas	6,544,113	70,312	536,332	23,899,153	72,635,706
Canada	571,250	0	32,578	1,010,341	7,986,418
Latin America, total	674,341	0	95,763	2,427,971	5,770,813
Mexico	312,807	0	33,107	123,456	1,652,191
Central America, total	12,304	0	2,640	13,742	92,994
Costa Rica	1,092	0	522	814	16,386
El Salvador	586	0	602	906	5,104
Guatemala	6,984	0	774	7,774	23,580
Honduras	11	0	124	1,895	11,864
Nicaragua	35	0	26	890	56
Panama (including Canal Zone)	3,595	0	543	1,464	35,878
Other Central American countries	0	0	48	0	126
Caribbean countries, total	37,164	0	1,483	560,517	2,519,128
Barbados	3,667	0	227	129	10,155
Cayman Islands (British)	0	0	0	37	2,456,856
Dominican Republic	11,093	0	591	1,410	4,465
Haiti	3,409	0	24	3,590	31
Jamaica	13,475	0	79	1,639	3,302
Trinidad and Tobago	5,520	0	563	553,554	44,319
Other Caribbean countries	0	0	0	157	0
South America, total	312,067	0	58,533	1,730,169	1,506,500
Argentina	47,921	0	11,808	152,438	438,640
Bolivia	1,260	0	299	920	2,652
Brazil	77,882	0	15,652	179,769	491,693
Chile	17,953	0	8,049	323,363	133,159
Colombia	56,084	0	1,985	140,281	83,251
Ecuador	4,298	0	4,412	97,314	17,127
Paraguay	443	0	9	505	14,845
Peru	22,620	0	4,172	201,379	76,115
Uruguay	5,204	0	1,775	63	4,579
Venezuela	62,952	0	10,324	471,140	217,728
Other South American countries	15,451	0	47	162,998	26,709
Latin America not allocable	*0	*0	*0	*87	*0
Other Western Hemisphere, total	7,897	0	170	3,647	3,062,383
Bahamas	152	0	0	189	1,120,273
Bermuda	0	0	5	1,375	1,411,394
British Virgin Islands	226	0	37	8	150,538
Netherlands Antilles	0	0	25	2,021	374,326
All other Western Hemisphere	7,519	0	102	55	5,852
Europe, total	2,127,458	0	252,058	10,862,046	42,476,161
European Union, total	1,627,929	0	244,529	4,424,552	36,456,823
Austria	15,362	0	101	16,319	150,601
Belgium	99,691	0	3,460	42,751	635,898
Czech Republic	27,874	0	738	4,412	106,823
Denmark	22,981	0	482	362,199	859,983
Finland	7,291	0	442	1,752	174,689
France	189,772	0	2,774	95,359	1,308,575
Germany	375,966	0	159,885	111,421	2,051,404
Greece	1,057	0	6,988	5,018	69,786

Footnotes at end of table.



# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued				
	Foreign taxes paid, accrued, and deemed paid				Taxes deemed paid
	Foreign taxes paid or accrued				
	Other taxes paid or accrued on:				
	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
	(19)	(20)	(21)	(22)	(23)
Europe, total—continued					
European Union, total—continued					
Hungary	2,761	0	0	65	52,044
Ireland	9,312	0	586	405,831	2,095,341
Italy	90,405	0	8,431	62,365	952,283
Luxembourg	72,870	0	1	12,091	4,273,423
Netherlands	116,775	0	1,314	200,745	11,887,985
Poland	7,759	0	40	264	138,792
Portugal (including Azores)	9,851	0	404	3,803	587,390
Spain (including Canary Islands)	21,390	0	849	29,313	2,418,927
Sweden	13,699	0	387	1,298	448,634
United Kingdom and Northern Ireland	536,755	0	56,699	3,065,680	8,187,358
Other European Union countries	6,356	0	946	3,864	56,888
Other European countries, total	499,529	0	7,528	6,437,494	6,019,338
Jersey	9,188	0	0	3,381	19,781
Kazakhstan	250,847	0	4,536	659,698	3,042
Norway	6,787	0	222	5,685,304	1,779,717
Romania	4,798	0	236	117	21,927
Russia	84,974	0	86	31,992	11,142
Switzerland	75,181	0	1,009	29,867	4,064,328
Turkey	12,659	0	503	18,944	76,506
Ukraine	86	0	14	2,770	11,352
Other European countries	55,010	0	922	5,422	31,543
Africa, total	373,353	0	8,397	3,629,817	1,505,071
Algeria	14,152	0	0	609	0
Angola	887	0	2,150	3,131	1,029,781
Chad	3,368	0	0	49,246	8,629
Egypt	19,654	0	868	156,087	13,728
Equatorial Guinea	47,644	0	2,620	529,834	15,493
Gabon	5,480	0	0	31,603	26,136
Mauritius	3,242	0	0	51	4,274
Nigeria	17,156	0	694	2,803,632	64,315
South Africa	42,344	0	493	26,719	278,618
Other African countries	219,427	0	1,571	28,905	64,096
Asia, total	2,013,296	0	72,897	4,738,577	9,562,944
Middle East, total	386,576	0	5,486	1,891,737	130,157
Bahrain	19	0	0	0	297
Iraq	0	0	0	0	0
Israel	230,680	0	3,432	1,302	76,709
Kuwait	7,619	0	1,012	8,067	2,118
Lebanon	458	0	5	127	64
Qatar	93	0	205	308,254	0
Saudi Arabia	88,341	0	647	1,319,075	15,383
United Arab Emirates	28,585	0	4	37,255	16,199
Yemen	24,921	0	0	217,617	18,947
Other Middle East countries	5,859	0	181	40	440

Footnotes at end of table.

# Corporate Foreign Tax Credit, 2005

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**Table 3. U.S. Corporation Income Tax Returns with a Foreign Tax Credit, 2005: Foreign Income, Deductions, and Taxes Reported on Form 1118, by Selected Country to Which Foreign Taxes Were Paid—Continued**

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Selected country	Foreign income and taxes reported on Form 1118—continued				
	Foreign taxes paid, accrued, and deemed paid				Taxes deemed paid
	Foreign taxes paid or accrued				
	Other taxes paid or accrued on:				
	Branch income	Specifically allocable income [section 863(b)]	Service income	Other income	
	(19)	(20)	(21)	(22)	(23)
Asia, total—continued					
Southern and Southeast Asia, total	493,504	0	25,489	2,256,085	2,521,752
Bangladesh	16,020	0	0	908	1,037
India	132,778	0	15,234	38,079	232,725
Indonesia	83,475	0	1,136	1,359,996	351,808
Malaysia	9,373	0	1,082	604,001	151,218
Pakistan	23,689	0	2	51,294	18,072
Philippines	41,135	0	707	29,746	267,620
Singapore	115,378	0	2,514	55,713	1,035,445
Sri Lanka	3,683	0	13	947	7,669
Thailand	62,482	0	4,479	114,905	454,886
Vietnam	1,253	0	299	459	630
Other Southern and Southeast Asian countries	4,237	0	23	37	643
Eastern Asia, total	1,122,935	0	41,921	579,468	6,907,668
China	40,965	0	7,206	25,598	359,552
Hong Kong	84,770	0	1,449	158,409	560,859
Japan (including Okinawa and Ryukyu Islands)	788,624	0	5,692	249,250	5,070,009
South Korea, Republic of	43,711	0	10,845	81,197	470,764
Taiwan	164,864	0	16,730	65,014	446,484
Other Eastern Asian countries	0	0	0	0	0
Asia not allocable	0	0	0	1,197	3,366
Oceania, total	225,745	0	40,231	634,736	1,539,400
Australia	161,226	0	40,165	604,472	1,359,912
New Zealand	21,900	0	58	27,122	177,111
Other countries of Oceania	42,619	0	8	3,142	2,377
Puerto Rico and U.S. Possessions, total	220,802	0	16,781	48,132	110,330
Puerto Rico	178,881	0	13,643	44,143	92,347
U.S. Possessions, total	41,921	0	3,138	3,989	17,983
American Samoa	444	0	4	2	747
Guam	32,776	0	2,001	2,944	14,530
Virgin Islands, U.S.	7,694	0	1,133	1,042	2,700
Other U.S. Possessions	1,007	0	0	0	6
Country not stated	340,253	0	17,459	553,977	622,186
Section 863 income [1]	0	70,312	0	0	0
Foreign Sales Corporation dividends [1]	*0	*0	*0	*0	*0
Interest-Charge Domestic International Sales Corporation dividends [1]	0	0	0	0	0

\* Data should be used with caution because of the small number of sample returns on which they are based.

[1] Section 863 income and dividends from an Interest-Charge Domestic International Sales Corporation or a Foreign Sales Corporation were not reported for specific foreign countries.

[2] Included in gross income (less loss), columns 2-8.

[3] Included in total deductions, column 11.

NOTES: Detail may not add to totals because of rounding. Number of returns does not add to total because a return could include more than one country.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

by Janette Wilson and Pearson Liddell

Over the 5 years of this study (1999-2003), taxpayers in the Sales of Capital Assets (SOCA) panel realized the highest net capital gains in Tax Year 2000. Net gains less losses peaked at \$574.1 billion, with capital gains of \$929.8 billion and losses of \$355.7 billion. Net capital gains less losses of \$131.9 billion reported in Tax Year 2002 were the lowest amount reported for all tax years. Detailed transaction data show that net gains less losses for corporate stock, passthrough gains or losses, and real estate showed the most significant changes over the 5-year period.

In Tax Years 1999 and 2000, corporate stock sales represented the largest share of net gains less losses realized. In Tax Year 1999, corporate stock represented 42.7 percent of all gains or \$224.4 billion, and in 2000, 41.2 percent or \$236.3 billion. In Tax Year 2001, passthrough gains or losses represented the most in terms of percentage of gains less losses, having 43.2 percent or \$84.9 billion of all gains less losses, while the corporate stock share declined to 15.9 percent or \$31.3 billion. By Tax Year 2002, real estate sales realized the most gains of all transaction types, having 60.6 percent or \$79.9 billion of all gains, while sales of corporate stock and mutual funds resulted in net capital losses.

This article presents SOCA panel data for Tax Years 1999 through 2003. The estimates in this article were based on a sample of individual tax returns filed for Tax Year 1999, which were then followed for each ensuing year.

In 1999, the Statistics of Income (SOI) individual cross-section sample included 176,966 returns. From these returns, a SOCA cross-section sample of 121,053 taxpayers was selected.<sup>1</sup> A stratified subsample of 83,432 returns was selected from the SOCA cross-section as the base year for the SOCA panel.

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This article presents data on Tax Year 1999, the base year, through Tax Year 2003. Tables 1, 2, 3, and 5 show data in current dollar amounts, Table 4 in constant dollars.

Figure A presents a comparison of the number of tax returns in the SOI Individual Cross-Section and those in the SOI Individual Panel. The figure shows that the number of panel filers decreased between Tax Years 1999 and 2003. Panel attrition may be explained by death, decreases in income below filing requirements, and filing status changes.

**Figure A**

## Comparison of Number of Returns in the Statistics of Income (SOI) Cross-Section and SOI Individual Panel, Tax Years 1999-2003

[Number of returns are in millions]

Tax year	Number of returns in individual cross section	Number of returns in individual panel	Panel as a percentage of cross section [1]
	(1)	(2)	(3)
1999	127.1	127.0	100.0
2000	129.4	120.4	93.1
2001	130.3	116.8	89.7
2002	130.1	113.1	87.0
2003	130.4	109.1	83.6

[1] Percentages based on unrounded data.

Although panel data show interesting results, any extrapolation from the panel to the entire population should be made with extreme caution.<sup>2</sup> As Figure A shows, in Tax Year 1999, there were 127.1 million returns in the SOI Cross-Section and 127.0 million returns in the SOI Individual Panel. In Tax Year 2000, these numbers were 129.4 million and 120.4 million, respectively, and the panel represented 93.1 percent of the population.

As shown, the percentage of the population represented by the panel declined between Base Year 1999 and Tax Year 2003. By Tax Year 2003, the panel represented 83.6 percent of Cross-Section filers.

Capital gains, losses, and net capital gains less losses for each tax year are presented in Figure B. The highest amount of capital gains and losses realized was reported in Tax Year 2000. Capital gains of

<sup>1</sup> See Wilson, Janette, "Sales of Capital Assets Reported on Individual Income Tax Returns, 1999," *Statistics of Income Bulletin*, Summer 2003, Volume 23, Number 1.

<sup>2</sup> See Bryant, Victoria, "Attrition in the Individual Income Tax Return Panel, Tax Years 1999-2005," American Statistical Association, August 2007.

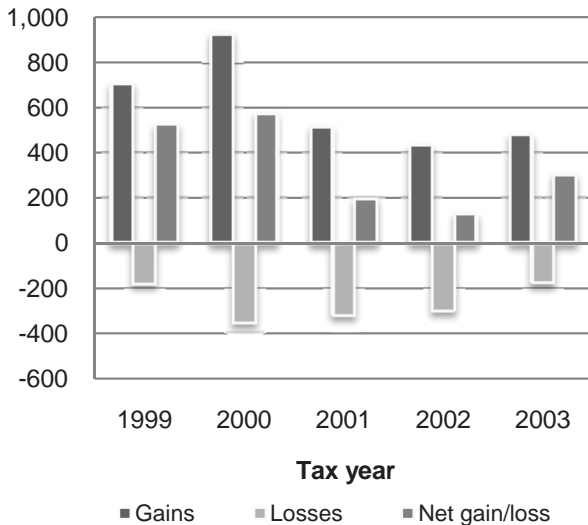
## Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure B**

### Gains and Losses from Sales of Capital Assets, SOI Individual Panel, Tax Years 1999-2003

Billions of dollars



\$929.8 billion were reported, an increase of approximately 31.2 percent from the Tax Year 1999 amount of \$708.7 billion. Losses increased almost 94 percent in Tax Year 2000 to \$355.7 billion, from \$183.6 billion in 1999.

Gains and losses both decreased between Tax Years 2000 and 2002. In Tax Year 2003, gains rose

to \$482.5 billion, while losses decreased to \$178.7 billion. Tax Year 2002 showed the lowest capital gains of \$431.9 billion and the lowest capital gains less losses of \$131.9 billion.

Details on net gains less losses for select asset types are shown in Figure C. In Tax Year 1999, corporate stock represented 42.7 percent (\$224.4 billion) of the total net gains less losses of \$525.1 billion. Passthrough gains or losses were the next highest, having 25.2 percent of the total, or \$132.5 billion. In Tax Year 2001, this pattern changed with passthrough gains or losses representing 43.2 percent of all gains, followed by real estate having 36.1 percent (\$84.9 and \$70.9 billion, respectively).<sup>3</sup> Corporate stock fell to 15.9 percent of the total. In Tax Year 2002, real estate represented the highest percentage of gains, having 60.6 percent of all net gains less losses, followed by passthrough gains or losses having 52.5 percent.

As Figure C shows, over the 5-year period, corporate stock, as a percentage of total gains less losses, was highest in Tax Year 1999 and declined to a low of a net loss of \$7.5 billion in 2002. By Tax Year 2003, corporate stock gains had increased to 26.1 percent, or \$79.1 billion, of the total amount of gains of \$303.8 billion. Real estate represented 11.1 percent of all gains in Tax Years 1999 and 2000 and increased to 60.6 percent in 2002. A decline followed in Tax Year 2003, when real estate represented 31.5 percent of total gains.

**Figure C**

### Net Capital Gains Less Losses from Sales of Capital Assets for Select Asset Types, SOI Individual Panel, Tax Years 1999-2003

[Amounts are in billions of dollars]

Type of asset	1999		2000		2001		2002		2003	
	Net gains less losses	Percentage of total	Net gains less losses	Percentage of total	Net gains less losses	Percentage of total	Net gains less losses	Percentage of total	Net gains less losses	Percentage of total
<b>Total</b>	<b>525.1</b>	<b>100.0</b>	<b>574.1</b>	<b>100.0</b>	<b>196.5</b>	<b>100.0</b>	<b>131.9</b>	<b>100.0</b>	<b>303.8</b>	<b>100.0</b>
Corporate stock	224.4	42.7	236.3	41.2	31.3	15.9	-7.5	-5.7	79.1	26.1
Real estate [1]	58.1	11.1	63.5	11.1	70.9	36.1	79.9	60.6	95.8	31.5
Passthrough gains or losses	132.5	25.2	142.6	24.8	84.9	43.2	69.2	52.5	109.2	35.9
Capital gain distributions	61.7	11.8	82.6	14.4	13.0	6.6	4.9	3.7	4.7	1.5
Mutual funds, including tax-exempt bond funds	14.1	2.7	9.4	1.6	-28.8	-14.7	-40.4	-30.6	-18.1	-6.0
Other [2]	34.3	6.5	39.7	6.9	25.3	12.9	25.7	19.5	33.1	10.9

[1] Real estate includes residential rental property, farmland, other land, business real property and residences.

[2] Other includes U.S. Government obligations, State and local government obligations, other bonds, notes and debentures, options and futures, gains and losses from partnerships, S corporations and estates and trusts, livestock, timber, involuntary conversions, depreciable business personal property, other assets, and unidentifiable assets.

<sup>3</sup> The real estate category is a combination of several asset types and includes residential rental property, farmland, other land, business real property, and residences.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure D**

## Gross Sales Price Amounts from Sales of Capital Assets for Select Asset Types, SOI Individual Panel, Tax Years 1999-2003

[Amounts are in billions of dollars]

Type of asset	1999		2000			2001		
	Sales price	Percentage of total	Sales price	Percentage of total	Percentage change from 1999	Sales price	Percentage of total	Percentage change from 2000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Total</b>	<b>3,692.3</b>	<b>100.0</b>	<b>5,088.2</b>	<b>100.0</b>	<b>37.8</b>	<b>2,834.7</b>	<b>100.0</b>	<b>-44.3</b>
Corporate stock	2,039.0	55.2	3,259.8	64.1	59.9	1,441.5	50.9	-55.8
U.S. and State and local Government obligations	251.2	6.8	239.1	4.7	-4.8	258.7	9.1	8.2
Other bonds, notes, and debentures	31.1	0.8	25.1	0.5	-19.4	29.9	1.1	18.9
Options and futures	48.6	1.3	75.1	1.5	54.7	36.9	1.3	-50.9
Mutual funds, including tax-exempt bond funds	559.5	15.2	418.1	8.2	-25.3	323.0	11.4	-22.7
Partnership, S corporation, and estate or trust interests	50.8	1.4	227.9	4.5	348.5	83.2	2.9	-63.5
Residential rental property	112.5	3.0	117.3	2.3	4.3	111.5	3.9	-5.0
Depreciable business property—real and personal	58.1	1.6	65.5	1.3	12.7	66.9	2.4	2.1
Farmland	11.0	0.3	9.5	0.2	-14.3	6.0	0.2	-36.6
Other land	40.6	1.1	37.3	0.7	-8.0	34.6	1.2	-7.2
Residences	37.3	1.0	44.5	0.9	19.5	76.0	2.7	70.6
Other [1]	452.6	12.3	569.0	11.2	25.7	366.5	12.9	-35.6

Type of asset	2002			2003		
	Sales price	Percentage of total	Percentage change from 2001	Sales price	Percentage of total	Percentage change from 2002
	(9)	(10)	(11)	(12)	(13)	(14)
<b>Total</b>	<b>2,867.5</b>	<b>100.0</b>	<b>1.2</b>	<b>3,081.4</b>	<b>100.0</b>	<b>7.5</b>
Corporate stock	1,384.3	48.3	-4.0	1,472.2	47.8	6.3
U.S. and State and local Government obligations	290.4	10.1	12.2	327.4	10.6	12.7
Other bonds, notes, and debentures	61.5	2.1	105.9	114.3	3.7	86.1
Options and futures	25.7	0.9	-30.2	27.3	0.9	6.2
Mutual funds, including tax-exempt bond funds	310.5	10.8	-3.9	316.3	10.3	1.9
Partnership, S corporation, and estate or trust interests	55.4	1.9	-33.5	51.6	1.7	-6.8
Residential rental property	147.9	5.2	32.7	165.1	5.4	11.6
Depreciable business property—real and personal	73.5	2.6	9.8	69.6	2.3	-5.3
Farmland	7.3	0.3	21.1	5.4	0.2	-26.0
Other land	42.9	1.5	24.0	58.5	1.9	36.3
Residences	69.8	2.4	-8.2	102.0	3.3	46.1
Other [1]	397.9	13.9	8.6	371.7	12.1	-6.6

[1] Other includes livestock, timber, inventory conversions, unidentifiable, and other asset types. Passthrough gains or losses and capital gain distributions are not included in this figure.

Gross sales price amounts for select asset types are shown in Figure D and in more detail in Table 1. Corporate stock and mutual fund sales amounts represented the highest percentage of total sales amounts for all tax years from 1999 through 2002 for those sales that could be categorized. Corporate stock represented 55.2 percent of the total in Tax Year 1999 and 64.1 percent in Tax Year 2000 (\$2.0 trillion and \$3.3 trillion, respectively). Mutual funds represented 15.2 percent in 1999 but fell to 8.2 percent in Tax Year 2000 (\$559.5 billion and \$418.1 billion, respectively).

In Tax Year 2001, corporate stock and mutual funds remained highest in terms of sales price amounts, but the corporate stock sales amount declined by 55.8 percent to \$1.4 trillion, and mutual funds declined 22.7 percent to \$323.0 billion but still represented 11.4 percent of total sales. Both categories showed a small decline, as a percentage of the total sales price, in Tax Years 2002 and 2003.

From Tax Year 1999 through 2002, U.S. Government and State and local bonds were the third largest category in terms of percentage of overall sales price. For 1999, these represented 6.8 percent of total sales.

## Sales of Capital Assets Panel Data, Tax Years 1999-2003

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This category declined in 2000 to 4.7 percent but increased between Tax Years 2001 and 2003 (representing 9.1 percent, 10.1 percent, and 10.6 percent, respectively). For Tax Year 2003, this category was slightly higher than the amount of 10.3 percent represented by mutual funds.

Detailed data on real estate sales in Table 1 shows that, in all tax years, sales of residential rental property reported the highest sales price and net gains less losses of all types of real estate transactions. In Tax Year 1999, the sales amount of residential rental property was \$112.5 billion, and net gains less losses were \$24.8 billion. This represented 44.9 percent of the total real estate sales amount of \$250.7 billion and 42.7 percent of the total net gains less losses of \$58.1 billion.

In subsequent years, the percentage of total sales price represented by residential real estate was 37.4 percent, 40.9 percent, and 43.5 percent in Tax Years 2000, 2001, and 2002, respectively. In 2003, this asset type represented 35.5 percent of real estate net gains less losses, or almost \$34.0 billion.

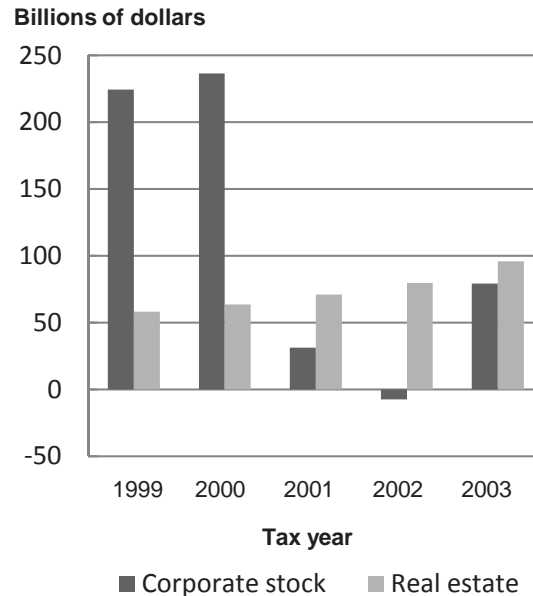
As shown in Figures E and F, comparing net gains less losses and gross sales price amounts for corporate stock and real estate provides an interesting contrast. In Tax Year 1999, taxpayers reported gains of \$224.4 billion in corporate stock sales and \$58.1 billion in real estate sales. Net gains from corporate stock peaked in 2000 and then dropped dramatically to \$31.3 billion the next year. Net losses were reported from stock in Tax Year 2002. In contrast, real estate net gains less losses steadily increased each year from 1999 to reach \$63.5 billion for Tax Year 2000, \$79.9 billion for Tax Year 2002, and \$95.8 billion for Tax Year 2003.

Tax Year 2000 showed an increase in gross sales of corporate stock of 57.9 percent (shown in Figure F), from \$2.0 trillion in 1999 to \$3.3 trillion in Tax Year 2000. Sales price for this asset type then fell in Tax Year 2001 to \$1.4 trillion, an almost 60-percent decline. The gross sales amount of real estate was \$250.7 billion in Tax Year 1999, and, like net gains from the sales of real estate (and unlike corporate stock), the sales amount increased steadily each year until 2003, when it was \$387.8 billion.

As shown in Figure G, taxpayers in all adjusted gross income (AGI) classes realized the least capital gains less losses in Tax Years 2001 and 2002. Figure H shows the patterns of increases and decreases in net capital gains realized over the 5-year period.

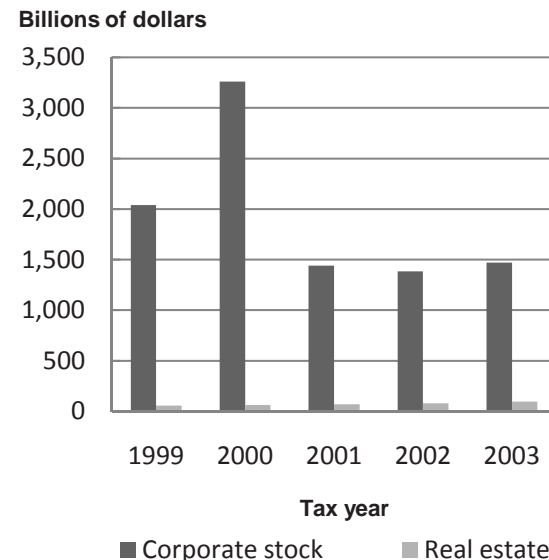
**Figure E**

**Net Gains Less Losses from Sales of Capital Assets: Corporate Stock and Real Estate, SOI Individual Panel, Tax Years 1999-2003**



**Figure F**

**Gross Sales Price of Sales of Capital Assets: Corporate Stock and Real Estate, SOI Individual Panel, Tax Years 1999-2003**





## Sales of Capital Assets Panel Data, Tax Years 1999-2003

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From taxpayers in the under \$20,000 group to those in the \$100,000 and under \$200,000 AGI group, all experienced a decline in net capital gains between Tax Year 1999 and Tax Year 2000. Taxpayers in the other two (higher income) groups experienced increases in net gains in those years.

Figure I shows that those taxpayers in the AGI group \$100,000 under \$200,000 reported the highest amount of sales in Tax Year 1999, with sales of \$600.3 billion. While this amount increased to \$690.1 billion for Tax Year 2000, those taxpayers in the \$200,000 under \$500,000 group reported the highest amount, having \$723.1 billion in sales. This was the highest amount reported by any income group for the 5-year period. For 2001, the \$100,000 under \$200,000 AGI group once again had the highest sales (\$546.5 billion), and, for 2003, the \$200,000 under \$500,000 group had the highest sales (\$444.1 billion). However, for 2002, the highest sales were reported by those taxpayers in the under \$20,000 AGI group. Their sales totaled \$523.1 billion for that year.

A comparison of the number of short-term and long-term transaction sales is shown in Figure J.

With 132.8 million short-term sales reported by taxpayers in Tax Year 2000, this was the highest number of asset sales for all tax years, and a 41.6-percent increase from 93.8 million in Tax Year 1999. The number of short-term sales then dropped to 94.5 million in 2001, a 28.9-percent decrease. In comparison, the number of long-term sales remained relatively stable over the 5 tax years, the highest being 96.8 million in Tax Year 2000, the lowest being 89.3 million in Tax Year 2003.

Figure K shows short- and long-term net capital gains and losses for each tax year. Overall, net short-term gains less losses were negative in 3 of the 5 tax years, whereas they were positive for all years for long-term transactions. Taxpayers reported short-term losses of \$56.0 billion in Tax Year 2000, \$78.5 billion in Tax Year 2001, and \$38.5 billion in Tax Year 2002. Between Tax Years 1999 and 2000, long-term capital gains realized increased almost 30 percent, from \$486.3 billion to \$630.1 billion. They then fell by over 56 percent to \$275.0 billion in 2001.

The percentage of total gross sales price amount and net gains less losses are shown in Figure L. For

**Figure G**

### Net Gains Less Losses from Sales of Capital Assets, by Adjusted Gross Income Group and Tax Year from Sales of Capital Assets, SOI Individual Panel, Tax Years 1999-2003

[Amounts are in thousands]

Adjusted gross income	Tax year				
	1999	2000	2001	2002	2003
	(1)	(2)	(3)	(4)	(5)
<b>Total</b>	<b>525,135,482</b>	<b>574,082,059</b>	<b>196,542,380</b>	<b>131,871,820</b>	<b>303,754,272</b>
Under \$5,000 [1]	3,584,304	850,341	-9,332,893	-9,180,503	1,960,640
\$5,000 under \$10,000	1,910,578	992,449	-2,800,378	-3,175,941	-1,516,937
\$10,000 under \$15,000	1,876,549	1,059,248	-2,845,828	-3,908,135	-246,613
\$15,000 under \$20,000	2,714,908	1,730,258	-1,414,843	-4,048,246	-925,297
\$20,000 under \$25,000	2,422,171	2,910,950	-1,460,974	-1,351,414	147,195
\$25,000 under \$30,000	2,595,291	1,922,799	319,687	-2,455,033	132,454
\$30,000 under \$40,000	7,439,243	5,744,018	-2,393,313	-5,184,507	3,675,172
\$40,000 under \$50,000	6,568,703	6,028,234	-501,309	-3,819,178	1,350,893
\$50,000 under \$75,000	20,384,663	16,883,445	-2,590,264	-3,899,206	3,416,949
\$75,000 under \$100,000	23,408,632	19,552,935	4,073,387	-2,005,899	7,133,988
\$100,000 under \$200,000	63,262,519	57,382,491	16,986,968	10,480,028	30,480,137
\$200,000 under \$500,000	75,493,907	79,171,925	21,370,954	23,766,128	48,441,235
\$500,000 under \$1,000,000	47,595,595	48,586,295	25,124,901	18,559,667	33,720,334
\$1,000,000 under \$1,500,000	28,349,003	31,357,673	11,982,843	10,211,532	29,434,538
\$1,500,000 under \$2,000,000	19,864,336	20,006,227	11,502,567	3,626,552	15,905,405
\$2,000,000 under \$5,000,000	60,649,518	90,841,925	33,353,000	21,968,369	35,225,109
\$5,000,000 under \$10,000,000	39,919,829	45,580,063	20,640,592	15,769,473	20,412,770
\$10,000,000 or more	117,095,733	143,480,783	74,527,283	66,518,133	75,006,300

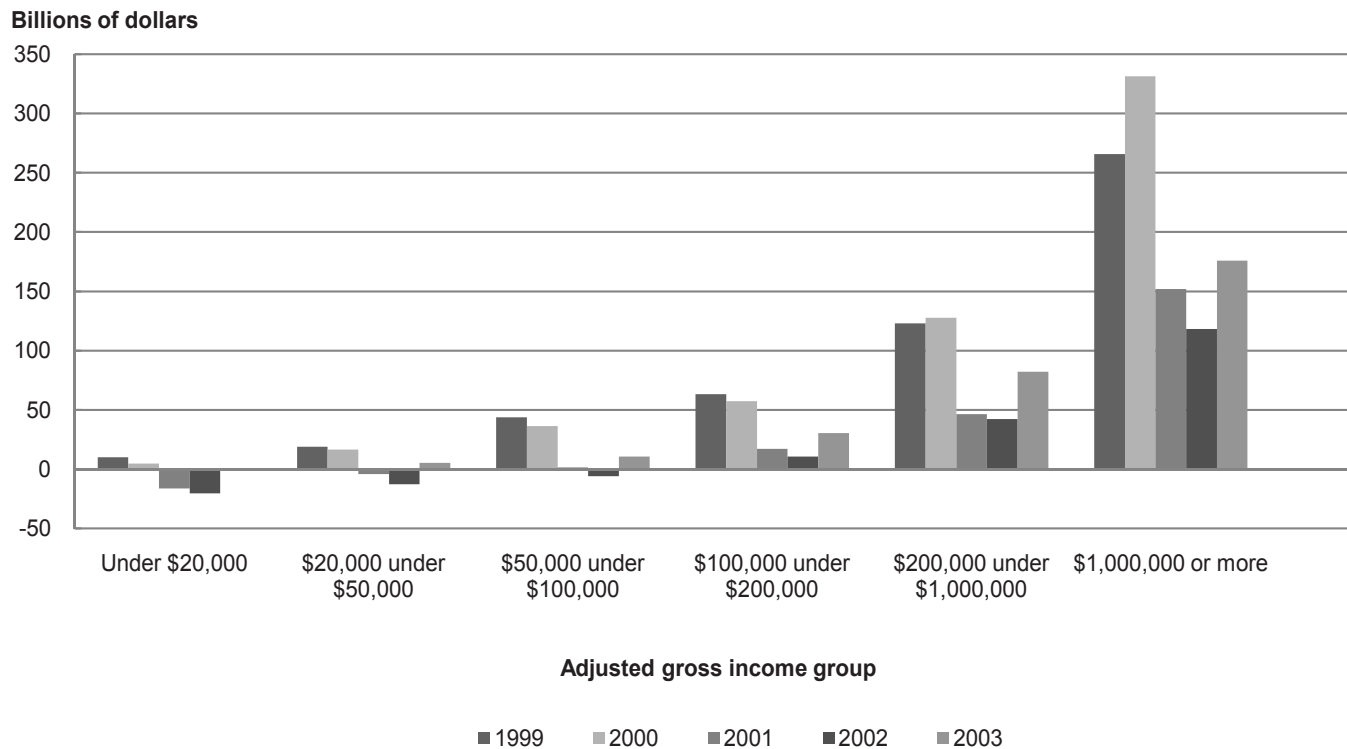
[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure H**

## Gains Less Losses from Sales of Capital Assets, by Adjusted Gross Income Group, SOI Individual Panel, Tax Years 1999-2003



**Figure I**

## Gross Sales Price from Sales of Capital Assets, by Adjusted Gross Income Group, SOI Individual Panel, Tax Years 1999-2003

[Numbers are in thousands of dollars]

Adjusted gross income	Tax year				
	1999	2000	2001	2002	2003
	(1)	(2)	(3)	(4)	(5)
<b>Total</b>	<b>3,692,260,460</b>	<b>5,088,224,593</b>	<b>2,834,718,905</b>	<b>2,867,517,621</b>	<b>3,081,431,987</b>
deficit under \$20,000 [1]	177,576,017	381,329,561	424,036,917	523,107,793	387,575,898
\$20,000 under \$50,000	265,121,460	322,389,739	224,064,118	222,186,310	374,110,489
\$50,000 under \$75,000	179,749,672	581,375,919	239,465,040	220,410,843	211,800,252
\$75,000 under \$100,000	195,360,474	253,752,658	167,153,875	161,200,289	175,026,557
\$100,000 under \$200,000	600,303,958	689,951,074	546,538,631	444,257,349	432,199,831
\$200,000 under \$500,000	519,608,724	722,667,737	375,796,488	515,784,712	444,111,998
\$500,000 under \$1,000,000	504,038,470	342,136,690	184,281,010	194,008,381	211,913,870
\$1,000,000 under \$1,500,000	172,866,535	250,751,343	110,700,977	93,840,853	175,555,929
\$1,500,000 under \$2,000,000	268,366,416	507,075,019	92,842,261	51,114,950	67,774,013
\$2,000,000 under \$5,000,000	333,812,444	400,558,204	174,890,544	144,084,336	229,385,251
\$5,000,000 under \$10,000,000	179,832,470	287,108,302	84,402,670	76,160,411	84,634,916
\$10,000,000 or more	295,623,820	349,128,347	210,546,374	221,361,394	287,342,983

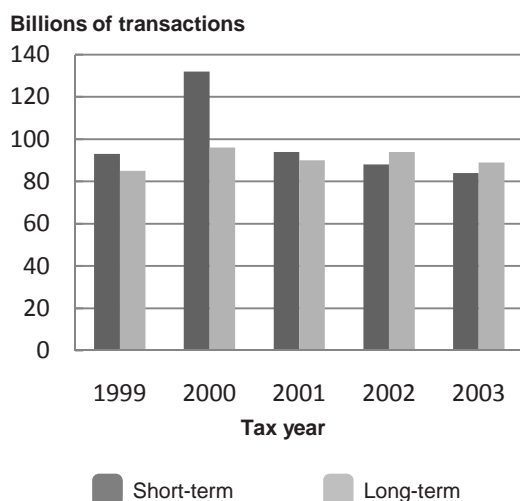
[1] Includes adjusted gross deficit

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure J**

**Number of Short-Term and Long-Term Transaction Sales from Sales of Capital Assets SOI Individual Panel, Tax Years 1999-2003**



all transactions, those with a holding period of less than 1 month were the highest in terms of percentage of sales price for all tax years. In Tax Year 1999, assets held under 1 month represented 53.4 percent of all short-term sales, and this fell slightly in Tax Years 2000 and 2001 (to 50.5 percent and 48.7 percent, respectively) but rose again in Tax Years 2002 and 2003 to 56.3 percent and 56.9 percent, respectively.

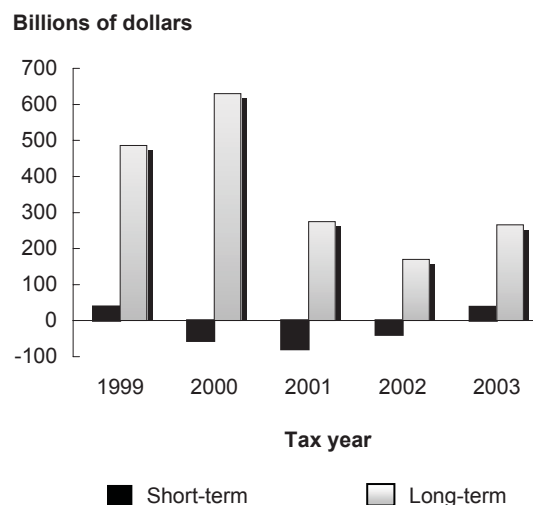
Table 4 shows the distribution of net gains and losses realized over the 5-year period by average AGI class.<sup>4</sup> Table 4a shows numbers and amounts for those taxpayers who realized a net gain or loss for 1 or more tax years. Table 4b shows those taxpayers who realized a net capital gain for 1 or more tax years, and Table 4c shows those who realized losses for 1 or more tax years.

Table 4a shows that 381.6 million tax returns were filed by taxpayers who realized no net gains or losses between Tax Years 1999 and 2003. The number of tax returns filed with a net gain or loss realization for 1 year was 53.7 million, and these taxpayers realized \$70.8 billion.

A comparison of taxpayers who realized a net gain or loss for 1, 2, 3, and 4 years shows that the

**Figure K**

**Net Gains Less Losses for Short-Term and Long-Term Sales of Capital Assets, SOI Individual Panel, Tax Years 1999-2003**



number of tax returns decreased from 53.7 million with realizations of net gain or loss for 1 year, to 28.6 million with gain or loss for 4 years. However, the amount realized for these taxpayers increased from \$70.8 billion for those who reported a gain or loss for 1 year, to \$175.0 billion for those who reported a gain or loss for 4 years. The number of tax returns which realized a net gain or loss for all 5 years increased to 60.7 million, and these taxpayers realized \$1.5 trillion.

Table 5 shows cross-section data for Tax Years 1999 through 2003. Tax Year 1999 was the base year of the study, and, for subsequent years, panel data were used with an added replenishment from the SOI Continuous Work History Sample (CWHs) to make a cross-section for each tax year. These CWHs returns represent the random sample portion of the SOI Individual Panel and were part of the base year. However, any primary taxpayer from this group who did not file a return in 1999 was added to the panel (see Data Source and Limitation for further explanation).

Figure M and Table 5 show a comparison of number of transactions, sales price, basis, and net capital gains less losses for those returns in the cross-

<sup>4</sup> To calculate AGI return, AGI amounts were indexed to make a constant amount. All constant AGIs were summed and then averaged.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure L**

## Percentage of Total Sales Price Amount and Net Capital Gains Less Losses, by Length of Time Held, Sales of Capital Assets, SOI Individual Panel, Tax Years 1999-2003

Type of transaction, length of time held	1999		2000		2001		2002		2003	
	Percentage of sales price	Percentage of net gains less losses	Percentage of sales price	Percentage of net gains less losses	Percentage of sales price	Percentage of net gains less losses	Percentage of sales price	Percentage of net gains less losses	Percentage of sales price	Percentage of net gains less losses
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Short-term transactions</b>										
Under 1 month	53.4	66.3	50.5	-19.5	48.7	-2.5	56.3	-0.8	56.9	38.7
1 month under 2 months	10.5	18.6	9.0	10.6	9.8	5.8	10.3	4.5	8.6	6.3
2 months under 3 months	5.6	9.3	5.4	12.3	5.6	3.8	5.0	7.1	5.4	7.0
3 months under 4 months	4.2	3.9	4.1	8.7	6.1	7.7	5.3	10.6	4.5	7.6
4 months under 5 months	3.5	-6.0	2.8	8.8	3.6	9.4	3.6	9.3	3.6	6.9
5 months under 6 months	2.8	-1.8	2.8	9.6	3.1	9.3	3.3	9.2	3.2	6.2
6 months under 7 months	3.1	5.9	3.0	8.4	3.5	9.4	3.0	11.7	3.7	5.2
7 months under 8 months	3.3	2.5	2.1	10.9	2.9	8.8	2.5	12.0	2.8	7.0
8 months under 9 months	2.1	2.8	1.9	13.0	2.4	8.2	2.2	6.5	2.2	3.1
9 months under 10 months	1.9	1.5	1.9	15.3	2.3	9.0	2.1	7.9	1.9	3.6
10 months under 11 months	1.7	0.5	1.6	11.3	2.9	11.7	2.0	8.7	2.2	6.9
11 months under 12 months	2.0	-0.6	7.7	7.8	3.1	14.0	2.1	7.9	2.0	0.8
1 year or more [1]	5.9	-3.0	7.2	2.8	6.2	5.5	2.1	5.3	3.0	0.8
<b>Long-term transactions</b>										
Under 18 months [2]	17.0	6.8	19.3	8.6	17.8	-17.6	14.4	-16.3	15.6	6.4
18 months under 2 years	10.8	5.6	11.3	7.3	10.8	-8.8	10.2	-18.9	9.4	2.0
2 years under 3 years	13.7	10.2	14.8	10.4	16.1	2.5	15.6	-32.1	14.6	-2.4
3 years under 4 years	9.4	9.8	9.0	9.6	9.4	7.6	9.3	-6.9	9.9	-2.7
4 years under 5 years	7.5	7.6	7.3	8.6	7.0	8.9	7.4	4.7	6.7	2.9
5 years under 10 years	19.6	20.3	16.8	18.7	18.5	34.7	20.6	47.9	22.2	30.0
10 years under 15 years	8.6	13.2	10.1	13.0	8.5	20.1	8.5	30.5	9.6	20.4
15 years under 20 years	4.9	8.6	4.7	8.5	4.9	22.0	5.5	30.1	4.8	15.5
20 years or more	8.5	17.9	6.7	15.2	7.0	30.6	8.5	61.1	7.3	28.0

[1] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[2] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTE: Sales with indeterminable dates (these were dates that were unreadable or not included with the sale description) were subtracted from the total number of sales.

section that were created by adding CWSH returns, and those just in the SOI Individual Panel. Tax Year 1999 data are the same for both cross-section and panel, as 1999 is the base year for the panel. For all tax years, the cross-section estimates are higher than the panel numbers, except in Tax Year 2002, when the net gains less loss amount is higher for panel returns. In Tax Year 2000, the number of transactions, sales price, basis, and net gains less losses are all slightly higher for the cross-section than the panel (3.1 percent, 2.7 percent, 2.8 percent, and 1.4 percent, respectively).

Interestingly, Tax Year 2001 shows the greatest overall discrepancy between cross-section and panel data, with differences of more than 6.0 percent for most categories. Subsequent years show a somewhat smaller difference between the estimates. Figure M also shows (for comparison purposes) published data for net capital gains less losses from the SOI

Individual Cross-Section for each tax year. For Tax Years 1999 through 2001, these data are comparable. However, the estimates for 2002 and 2003 differ from published data by more than 15 percent.

### Detailed Tables

Tables 1 through 5 show detailed data on sales of capital assets for 1999 through 2003. Table 1 shows aggregated data from transactions reported on the following tax forms: Schedule D (Capital Gains and Losses and Reconciliation of Forms 1099B); Form 4797 (Gains and Losses from Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions); Form 6252 (Installment Sales); Form 8824 (Like-Kind Exchanges); Form 4684 (Casualties and Thefts); Form 2439 (Undistributed Long-Term Capital Gains); and Form 6781 (Gains and Losses from Section 1256 Contracts and Straddles).

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Figure M**

## Comparison of Statistics of Income (SOI) Cross-Section and SOI Individual Panel, Tax Years 1999-2003

[Money amounts are in thousands of dollars]

Tax year	All transactions: Panel [1]				All transactions: Cross-Section [2]				SOI Individual Cross-Section [3]
	Number	Sales price	Basis	Net gain less loss	Number	Sales price	Basis	Net gain less loss	Net gain less loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1999	179,036,504	3,692,260,458	3,345,549,329	525,135,483	179,036,504	3,692,260,458	3,345,549,329	525,135,483	531,170,093
2000	229,620,553	5,088,224,593	4,709,938,089	574,082,057	236,874,553	5,231,772,567	4,847,795,479	582,445,853	585,650,240
2001	185,159,297	2,834,718,909	2,715,813,938	196,542,379	197,379,297	3,016,425,527	2,896,539,270	205,947,701	206,824,931
2002	182,763,750	2,867,517,618	2,783,223,597	131,871,818	193,597,750	2,990,876,736	2,908,395,593	127,071,094	106,479,084
2003	173,413,092	3,081,431,990	2,855,551,806	303,754,273	186,689,092	3,206,959,002	2,975,950,410	310,491,092	269,659,181

[1] Estimates based on 1999-2003 SOCA panel data.

[2] Estimates based on Statistics of Income 1999-2003 SOCA cross-section data.

[3] Estimates based on Statistics of Income—1999-2003, Individual Income Tax Returns (IRS Publication 1304).

Capital gains and losses reported on other forms and carried to Schedule D were also included. Table 2 shows data on gains and losses by AGI. Table 3 shows data on holding periods and months of sale, and Table 4 shows data on the distribution and amounts of net gains and losses realized over the 5 years of this study. Returns are classified by the number of years that they reported gains and/or losses on sales of capital assets. Table 5 shows cross-section data for Tax Years 2000 through 2003.

## Explanation of Selected Terms

### Categories of assets

**Corporate stock**—Includes shares of publicly traded and closely held common and preferred stock, stock rights, and stock warrants. In addition, short sales of corporate stock were included.

**U.S. Government obligations**—Includes bonds, notes, bills, and other certificates of indebtedness issued by, backed, or guaranteed by the U.S. Government or Federal agencies.

**State and local government obligations**—Includes bonds, notes, bills, and other certificates of indebtedness issued by, backed, or guaranteed by States, cities, or local governments.

**Other bonds, notes, and debentures**—Includes bonds and other debt obligations issued by corporations and all other types of debt obligations.

**Put and call options**—A call gives the holder the right to buy the underlying asset by a certain date for a certain price. A put option gives the right to sell

an asset by a certain date for a certain price. This category includes put and call options, straddles, and futures contracts on corporate stock.

**Futures contracts**—Includes futures contracts on commodities, foreign currency, interest rates, stock price indexes, and other financial derivatives and instruments.

**Tax-exempt bond mutual funds**—Includes sale of shares of mutual funds and investment trusts invested in bonds and other debt instruments of State and local governments.

**Partnerships, S corporations, and estates and trusts**—Includes sales of partnership interests and S corporations. S corporations allocate earnings to shareholders and are taxed at the individual shareholder level.

**Mutual funds, except tax-exempt bond funds**—Includes sales of shares of mutual funds and real estate investment trusts.

**Livestock**—Includes cattle and other animals held for work, breeding, bearing fur, and depreciable animals.

**Timber**—Includes cut or standing timber, and timber sales that qualify for 1231 treatment.

**Involuntary conversions**—Includes involuntary conversions resulting from destruction, theft, condemnation, or eminent domain.

**Residential rental property**—Includes apartments, duplexes, motels, nursing homes, and similar residential properties.

**Depreciable business personal property**—Includes property used in business, such as equipment, machinery, and vehicles.



## Sales of Capital Assets Panel Data, Tax Years 1999-2003

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*Depreciable business real property*—Includes office buildings, shopping malls, factory buildings, warehouses, and similar real property.

*Farmland*—Includes farm and ranch land, farms, and ranches.

*Other land*—Includes undeveloped land other than farmland.

*Residences*—Principal residences and secondary homes.

*Other assets*—Includes other assets not included in the above categories, such as collectibles, bad debts, and copyrights.

*Unidentifiable*—Includes assets where the description is unreadable, unidentifiable, or not present.

*Passthrough gains and losses*—Includes capital gains on assets sold by partnerships, S corporations, and estates and trusts, and distributed to be taxed at the individual partner, shareholder, and beneficiary level.

*Capital gain distributions*—Distributions by mutual funds to shareholders of capital gains from sales of assets by mutual funds.

### Other terms

*Basis*—The original cost of the investment adjusted by adding the cost of expenses of the sale or any improvement costs. In addition, depreciation, amortization, and depletion deductions are subtracted.

*Sales price*—The gross selling price of the asset, including the cash or fair market value of other property received.

*Capital asset*—Property owned and used for investment, personal, or pleasure uses.

*Gain (or loss)*—The difference between the sales price and the cost or other basis, less any depreciation.

*Net capital gains*—Capital gains less capital losses.

*Short-term*—The holding period for short-term capital gains and losses is 1 year or less.

*Long-term*—The holding period for long-term capital gains and losses is more than 1 year.

### Data Sources and Limitations

The statistics in this report are estimates from a probability sample. The target population consists of all

individual income tax returns (Forms 1040, 1040A, 1040EZ, and 1040PC, including electronic returns) filed by U.S. citizens and residents for Tax Year 1999. The SOCA base year sample was selected from the 1999 SOI individual return sample. To study SOCA in more detail and collect SOCA data for longitudinal analyses, a subsample was selected from the 1999 individual return sample. It served as the base year SOCA panel sample.

The yearly SOI individual return sample is a stratified random sample.<sup>5</sup> The stratification is achieved by the return type code and income code. Income code is determined by income groupings, and “degree of interest.”

In Tax Year 1999, the individual return sample of 176,966 returns was drawn from the population of 127,321,626 returns. The Tax Year 1999 SOCA panel sample was also a stratified random sample. However, the strata were defined using the income code only (see Figure N).

The 1999 SOCA panel sample was designed to represent all Tax Year 1999 returns, including late returns, while the 1999 individual return sample and 1999 SOCA cross-section sample were designed to represent all returns filed in Calendar Year 2000. Therefore, the 1999 SOCA panel sample of 83,432 returns was drawn from the 1999 individual return sample and supplemented with the 2000 and 2001 individual return samples in order to include returns that were filed up to 2 years late.

The sampled panel returns were followed in subsequent years. In each subsequent year, a selected panel return stayed in the panel if at least one of the taxpayer’s SSNs (primary or secondary) filed in that year, regardless of the marital status. The panel data collected were used for both longitudinal analyses and cross-section estimations.

In every subsequent year, a small refreshment sample was added to the panel sample for cross-section estimation purposes only. This small refreshment sample is a 1 in 2,000 random sample adding only those returns not already included in the sample. Therefore, each of these returns received a weight of 2,000.

Since the estimates here are based on a sample, they may differ from figures that would have been

<sup>5</sup> See Testa, V. and J. Scali (2005), “Description of the Sample,” *Statistics of Income—2005, Individual Income Tax Returns*, Internal Revenue Service, Washington, DC.



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obtained if a complete census of all income tax returns had been taken. The particular sample used for estimates is one of the many possible samples that could have been selected using the same sample design. Estimates calculated from these different samples would vary, which causes the sampling error.

To properly use the statistical data, the magnitude of the potential sampling error must be known. Coefficients of variation (CVs) are used to measure that magnitude. They measure the spread of estimates from possible samples and evaluate the precision of estimates based on samples. In addition to

sampling error, nonsampling error can also affect the estimates. For example, there may be errors in keying and cleaning the data, or misinterpretations of tax instructions by taxpayers.

Weights were applied to each sampled return when calculating estimates to account for the selection probabilities and other factors that might lead to differences between the sample and the population. Weights were calculated by dividing the population count of returns in a stratum by the number of sample returns for that stratum, and adjusted for misclassified and missing returns.

**Figure N**

## Number of Returns Sampled and Population Counts in the Statistics of Income (SOI) Individual Panel, Base Tax Year 1999

Income code	Income range	Degree of interest	Sample	Population
	<b>Negative income</b>		<b>83,432</b>	<b>127,042,158</b>
0	\$20,000,000 or more	All	345	345
1	\$10,000,000-\$20,000,000	All	245	535
2	\$5,000,000-\$10,000,000	All	291	1,399
3	\$2,000,000-\$5,000,000	All	246	5,633
4	\$1,000,000-\$2,000,000	All	179	12,216
5	\$500,000-\$1,000,000	All	192	30,785
6	\$250,000-\$500,000	All	101	73,512
7	\$120,000-\$250,000	All	90	161,189
8	\$60,000-\$120,000	All	101	216,825
9	Under \$60,000	All	311	664,982
	<b>Positive income</b>			
10	Under \$30,000	1	13,258	26,746,335
11	Under \$30,000	2	15,640	30,966,933
12	Under \$30,000	3-4	5,548	11,086,103
13	\$30,000-\$60,000	1-2	11,110	22,600,734
14	\$30,000-\$60,000	3-4	4,828	9,689,145
15	\$60,000-\$120,000	1-3	6,204	12,591,564
16	\$60,000-\$120,000	4	2,651	5,222,146
17	\$120,000-\$250,000	1-3	1,210	2,423,918
18	\$120,000-\$250,000	4	1,211	2,520,320
19	\$250,000-\$500,000	All	2,460	1,368,698
20	\$500,000-\$1,000,000	All	2,562	435,344
21	\$1,000,000-\$2,000,000	All	2,515	141,596
22	\$2,000,000-\$5,000,000	All	3,430	59,284
23	\$5,000,000-\$10,000,000	All	2,731	14,307
24	\$10,000,000-\$20,000,000	All	3,053	5,391
25	\$20,000,000 or more	All	2,920	2,920

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 1a. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, SOI Individual Panel, Tax Year 1999**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gains or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>179,036,504</b>	<b>3,692,260,458</b>	<b>3,345,549,329</b>	<b>525,135,483</b>
Corporate stock	102,768,793	2,038,969,949	1,815,854,215	224,438,833
U.S. Government obligations	1,661,647	136,905,104	136,676,681	17,443
State and local government obligations	2,980,945	114,293,571	114,475,074	-175,052
Other bonds, notes, and debentures	852,341	31,126,824	30,885,344	251,093
Put and call options	6,203,471	41,561,030	40,538,987	1,189,119
Futures contracts	332,496	6,991,249	8,728,099	-1,695,952
Mutual funds, except tax-exempt bond funds	26,728,492	495,326,399	480,076,650	15,316,879
Tax-exempt bond mutual funds	4,885,932	64,156,065	65,391,107	-1,248,039
Partnership, S corporation, and estate or trust interests	1,523,705	50,808,957	33,700,723	17,832,301
Livestock	825,981	2,903,702	1,097,194	1,398,095
Timber	98,622	2,454,789	649,700	1,713,105
Involuntary conversions	74,990	301,438	11,373	58,568
Residential rental property	1,619,598	112,506,150	79,640,017	24,820,154
Depreciable business personal property	1,314,253	8,853,932	5,699,227	1,213,814
Depreciable business real property	713,197	49,269,177	34,304,699	13,862,743
Farmland	118,533	11,035,200	5,179,127	2,887,856
Other land	1,070,696	40,584,545	26,023,533	12,973,849
Residences	296,953	37,285,813	31,428,680	3,542,186
Other assets	2,864,540	392,248,875	384,503,626	7,461,794
Unidentifiable	632,747	54,677,688	50,685,274	5,006,526
Passthrough gains or losses	4,520,381	N/A	N/A	132,546,389
Capital gain distributions	16,948,193	N/A	N/A	61,723,778

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 1b. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, SOI Individual Panel, Tax Year 2000**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gains less losses
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>229,620,553</b>	<b>5,088,224,593</b>	<b>4,709,938,089</b>	<b>574,082,057</b>
Corporate stock	151,268,257	3,259,750,463	3,015,536,827	236,282,420
U.S. Government obligations	1,188,054	127,506,933	127,368,312	215,967
State and local government obligations	2,756,320	111,636,782	112,243,800	-773,134
Other bonds, notes, and debentures	763,745	25,103,210	25,437,252	-328,354
Put and call options	7,529,383	65,171,724	62,367,390	2,788,491
Futures contracts	418,080	9,945,852	7,678,423	2,265,710
Mutual funds, except tax-exempt bond funds	29,261,549	364,599,916	355,092,655	9,431,260
Tax-exempt bond mutual funds	2,980,274	53,457,967	55,184,074	-1,732,553
Partnership, S corporation, and estate or trust interests	1,230,789	227,892,099	211,464,136	16,977,257
Livestock	787,326	4,306,092	1,153,696	2,444,655
Timber	131,616	3,473,755	923,826	2,551,604
Involuntary conversions	126,205	103,823	-99,703	-96,270
Residential rental property	1,551,589	117,294,249	85,734,165	23,737,018
Depreciable business personal property	1,335,287	12,902,933	8,709,845	1,947,281
Depreciable business real property	732,230	52,624,769	33,111,133	15,475,859
Farmland	122,424	9,457,697	6,124,273	3,002,006
Other land	915,513	37,319,661	19,457,977	16,400,048
Residences	293,250	44,547,963	36,263,172	4,928,275
Other assets	3,637,166	253,468,965	239,651,678	12,551,800
Unidentifiable	698,366	307,659,742	306,535,159	873,266
Passthrough gains or losses	4,627,516	N/A	N/A	142,587,031
Capital gain distributions	17,265,615	N/A	N/A	82,552,418

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 1c. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, by SOI Individual Panel, Tax Year 2001**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gains less losses
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>185,159,297</b>	<b>2,834,718,909</b>	<b>2,715,813,938</b>	<b>196,542,379</b>
Corporate stock	118,283,317	1,441,548,555	1,408,747,661	31,308,482
U.S. Government obligations	1,684,344	136,341,374	135,272,816	1,062,074
State and local government obligations	2,859,184	122,407,275	121,494,824	847,057
Other bonds, notes, and debentures	1,143,236	29,851,191	30,273,356	-490,286
Put and call options	4,358,018	31,393,021	30,161,400	1,293,690
Futures contracts	218,961	5,488,700	3,733,640	1,775,484
Mutual funds, except tax-exempt bond funds	26,786,661	273,571,352	302,045,963	-28,437,011
Tax-exempt bond mutual funds	2,304,731	49,379,995	49,764,090	-401,075
Partnership, S corporation, and estate or trust interests	1,131,180	83,188,812	72,408,217	11,334,921
Livestock	809,687	3,805,253	1,199,967	2,078,931
Timber	94,569	2,401,434	897,649	1,503,370
Involuntary conversions	157,714	203,479	-79,691	-105,920
Residential rental property	1,401,593	111,468,994	76,360,302	28,973,685
Depreciable business personal property	1,167,012	9,544,869	6,717,575	828,845
Depreciable business real property	737,351	57,360,539	36,547,806	18,334,060
Farmland	114,925	5,991,600	3,710,957	2,153,081
Other land	825,985	34,630,317	19,444,685	13,957,124
Residences	385,104	76,009,728	60,812,737	7,502,531
Other assets	3,728,118	254,886,658	253,739,680	980,724
Unidentifiable	561,456	105,245,761	102,560,306	4,208,218
Passthrough gains or losses	4,427,620	N/A	N/A	84,883,407
Capital gain distributions	11,978,530	N/A	N/A	12,950,990

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 1d. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, SOI Individual Panel, Tax Year 2002**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gains less losses
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>182,763,750</b>	<b>2,867,517,618</b>	<b>2,783,223,597</b>	<b>131,871,818</b>
Corporate stock	118,356,341	1,384,292,338	1,390,905,176	-7,490,158
U.S. Government obligations	1,531,498	148,038,359	147,272,943	574,747
State and local government obligations	3,384,153	142,332,857	141,455,523	815,971
Other bonds, notes, and debentures	1,064,952	61,451,600	62,592,457	-1,161,716
Put and call options	3,578,314	16,784,229	16,376,689	713,867
Futures contracts	227,910	8,964,583	5,809,461	3,208,610
Mutual funds, except tax-exempt bond funds	28,716,335	266,932,379	307,326,154	-40,476,841
Tax-exempt bond mutual funds	2,532,645	43,525,761	43,368,224	121,507
Partnership, S corporation, and estate or trust interests	1,287,993	55,357,121	41,567,558	14,203,376
Livestock	685,089	3,472,020	1,729,859	1,267,261
Timber	97,873	2,306,229	791,248	1,514,765
Involuntary conversions	197,240	270,377	188,288	695
Residential rental property	1,522,646	147,884,030	105,867,471	34,730,944
Depreciable business personal property	1,410,595	11,088,570	8,660,048	719,166
Depreciable business real property	694,150	62,397,933	38,724,926	19,190,829
Farmland	127,457	7,256,151	4,116,613	3,360,808
Other land	903,624	42,935,507	27,341,354	14,895,529
Residences	348,454	69,805,000	51,697,335	7,690,077
Other assets	3,571,000	343,508,610	339,323,584	4,152,636
Unidentifiable	704,052	48,369,501	48,108,685	-315,400
Passthrough gains or losses	4,482,154	N/A	N/A	69,222,442
Capital gain distributions	7,339,276	N/A	N/A	4,932,704

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 1e. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, SOI Individual Panel, Tax Year 2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gains less losses
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>173,413,092</b>	<b>3,081,431,990</b>	<b>2,855,551,806</b>	<b>303,754,273</b>
Corporate stock	111,245,622	1,472,159,091	1,393,612,662	79,139,211
U.S. Government obligations	2,122,064	157,761,873	157,364,388	393,911
State and local government obligations	4,189,345	169,620,167	168,070,347	1,525,899
Other bonds, notes, and debentures	1,550,030	114,336,816	113,437,440	873,024
Put and call options	3,581,915	22,457,233	21,409,716	1,271,486
Futures contracts	348,318	4,875,926	4,120,752	790,594
Mutual funds, except tax-exempt bond funds	23,926,496	259,045,534	277,093,229	-18,121,719
Tax-exempt bond mutual funds	2,878,613	57,293,284	57,275,660	10,533
Partnership, S corporation, and estate or trust interests	1,702,544	51,596,778	37,334,785	14,227,701
Livestock	747,985	3,670,414	1,245,494	1,699,107
Timber	95,681	1,550,553	596,587	953,066
Involuntary conversions	227,348	328,894	-65,579	92,686
Residential rental property	1,561,443	165,085,418	116,874,189	33,968,633
Depreciable business personal property	1,647,172	12,807,802	8,242,902	1,788,633
Depreciable business real property	610,295	56,777,272	32,679,018	22,399,511
Farmland	109,868	5,366,353	3,411,503	1,768,139
Other land	891,929	58,534,878	31,090,768	24,087,603
Residences	423,454	102,007,602	77,304,166	13,568,292
Other assets	2,814,027	202,964,519	195,281,713	5,382,656
Unidentifiable	891,188	163,191,584	159,172,066	4,076,272
Passthrough gains or losses	4,798,213	N/A	N/A	109,181,430
Capital gain distributions	7,049,540	N/A	N/A	4,677,605

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.



# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 2a. Capital Gains and Losses, by Adjusted Gross Income Group, SOI Individual Panel, Tax Year 1999**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	All transactions			
	Number of returns	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>27,858,908</b>	<b>3,692,260,460</b>	<b>3,345,549,327</b>	<b>525,135,482</b>
Under \$5,000 [1]	2,160,172	89,204,857	85,992,214	3,584,304
\$5,000 under \$10,000	1,325,767	23,075,422	22,095,028	1,910,578
\$10,000 under \$15,000	1,191,209	40,713,202	39,957,846	1,876,549
\$15,000 under \$20,000	1,298,694	24,582,536	23,644,033	2,714,908
\$20,000 under \$25,000	1,181,964	29,422,290	28,424,890	2,422,171
\$25,000 under \$30,000	1,091,699	20,812,907	19,253,522	2,595,291
\$30,000 under \$40,000	2,379,872	106,919,853	101,339,840	7,439,243
\$40,000 under \$50,000	2,187,606	107,966,410	103,652,504	6,568,703
\$50,000 under \$75,000	5,075,534	179,749,672	168,421,415	20,384,663
\$75,000 under \$100,000	3,476,454	195,360,474	180,251,342	23,408,632
\$100,000 under \$200,000	4,418,243	600,303,958	554,270,856	63,262,519
\$200,000 under \$500,000	1,551,689	519,608,724	462,635,793	75,493,907
\$500,000 under \$1,000,000	323,577	504,038,470	471,334,875	47,595,595
\$1,000,000 under \$1,500,000	83,587	172,866,535	153,044,428	28,349,003
\$1,500,000 under \$2,000,000	35,436	268,366,416	254,543,186	19,864,336
\$2,000,000 under \$5,000,000	55,266	333,812,444	294,096,761	60,649,518
\$5,000,000 under \$10,000,000	13,663	179,832,470	154,715,802	39,919,829
\$10,000,000 or more	8,476	295,623,820	227,874,992	117,095,733

[1] Includes adjusted gross deficit.

**Table 2b. Capital Gains and Losses, by Adjusted Gross Income Group, SOI Individual Panel, Tax Year 2000**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	All transactions			
	Number of returns	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>29,542,416</b>	<b>5,088,224,593</b>	<b>4,709,938,092</b>	<b>574,082,059</b>
Under \$5,000 [1]	1,841,129	227,779,667	221,424,000	850,341
\$5,000 under \$10,000	1,347,767	56,684,417	56,717,684	992,449
\$10,000 under \$15,000	1,316,813	53,512,891	54,137,122	1,059,248
\$15,000 under \$20,000	1,279,684	43,352,586	43,430,504	1,730,258
\$20,000 under \$25,000	1,225,689	91,238,634	89,940,656	2,910,950
\$25,000 under \$30,000	1,165,901	34,155,859	33,855,949	1,922,799
\$30,000 under \$40,000	2,453,516	84,199,557	80,064,631	5,744,018
\$40,000 under \$50,000	2,418,513	112,795,689	110,450,497	6,028,234
\$50,000 under \$75,000	5,232,741	581,375,919	573,961,498	16,883,445
\$75,000 under \$100,000	3,829,896	253,752,658	243,444,668	19,552,935
\$100,000 under \$200,000	5,024,754	689,951,074	655,386,436	57,382,491
\$200,000 under \$500,000	1,824,650	722,667,737	667,928,569	79,171,925
\$500,000 under \$1,000,000	352,197	342,136,690	311,064,630	48,586,295
\$1,000,000 under \$1,500,000	93,899	250,751,343	224,323,760	31,357,673
\$1,500,000 under \$2,000,000	39,114	507,075,019	492,681,028	20,006,227
\$2,000,000 under \$5,000,000	71,061	400,558,204	333,384,974	90,841,925
\$5,000,000 under \$10,000,000	15,287	287,108,302	251,720,456	45,580,063
\$10,000,000 or more	9,806	349,128,347	266,021,030	143,480,783

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 2c. Capital Gains and Losses, by Adjusted Gross Income Group, SOI Individual Panel, Tax Year 2001**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	All transactions			
	Number of returns	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>25,812,464</b>	<b>2,834,718,905</b>	<b>2,715,813,937</b>	<b>196,542,380</b>
Under \$5,000 [1]	1,779,331	298,877,581	306,643,727	-9,332,893
\$5,000 under \$10,000	1,068,250	42,945,002	46,360,457	-2,800,378
\$10,000 under \$15,000	1,074,197	48,353,160	51,252,326	-2,845,828
\$15,000 under \$20,000	1,166,390	33,861,174	35,501,902	-1,414,843
\$20,000 under \$25,000	1,050,239	30,740,985	32,528,527	-1,460,974
\$25,000 under \$30,000	1,081,803	43,766,779	44,150,537	319,687
\$30,000 under \$40,000	2,161,550	79,617,486	81,381,711	-2,393,313
\$40,000 under \$50,000	2,050,021	69,938,868	69,668,724	-501,309
\$50,000 under \$75,000	4,543,353	239,465,040	242,820,173	-2,590,264
\$75,000 under \$100,000	3,210,593	167,153,875	164,242,111	4,073,387
\$100,000 under \$200,000	4,552,751	546,538,631	529,578,649	16,986,968
\$200,000 under \$500,000	1,579,785	375,796,488	361,783,175	21,370,954
\$500,000 under \$1,000,000	310,468	184,281,010	166,927,767	25,124,901
\$1,000,000 under \$1,500,000	77,199	110,700,977	100,407,742	11,982,843
\$1,500,000 under \$2,000,000	41,382	92,842,261	85,142,614	11,502,567
\$2,000,000 under \$5,000,000	47,898	174,890,544	152,676,291	33,353,000
\$5,000,000 under \$10,000,000	11,096	84,402,670	73,959,306	20,640,592
\$10,000,000 or more	6,158	210,546,374	170,788,198	74,527,283

[1] Includes adjusted gross deficit.

**Table 2d. Capital Gains and Losses, by Adjusted Gross Income Group, SOI Individual Panel, Tax Year 2002**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	All transactions			
	Number of returns	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>23,482,026</b>	<b>2,867,517,621</b>	<b>2,783,223,597</b>	<b>131,871,820</b>
Under \$5,000 [1]	1,659,000	377,961,088	385,192,172	-9,180,503
\$5,000 under \$10,000	935,836	39,627,734	43,034,967	-3,175,941
\$10,000 under \$15,000	1,064,931	60,158,896	63,293,900	-3,908,135
\$15,000 under \$20,000	1,113,438	45,360,075	49,623,525	-4,048,246
\$20,000 under \$25,000	961,029	37,097,780	38,948,910	-1,351,414
\$25,000 under \$30,000	970,098	33,953,586	35,236,961	-2,455,033
\$30,000 under \$40,000	1,925,619	64,514,837	69,027,923	-5,184,507
\$40,000 under \$50,000	1,806,610	86,620,107	90,645,933	-3,819,178
\$50,000 under \$75,000	4,104,286	220,410,843	223,203,926	-3,899,206
\$75,000 under \$100,000	2,956,277	161,200,289	161,754,376	-2,005,899
\$100,000 under \$200,000	4,108,441	444,257,349	434,278,159	10,480,028
\$200,000 under \$500,000	1,443,025	515,784,712	497,540,482	23,766,128
\$500,000 under \$1,000,000	275,579	194,008,381	177,699,008	18,559,667
\$1,000,000 under \$1,500,000	73,983	93,840,853	85,560,675	10,211,532
\$1,500,000 under \$2,000,000	25,606	51,114,950	49,104,137	3,626,552
\$2,000,000 under \$5,000,000	40,765	144,084,336	130,459,077	21,968,369
\$5,000,000 under \$10,000,000	11,940	76,160,411	65,431,130	15,769,473
\$10,000,000 or more	5,561	221,361,394	183,188,336	66,518,133

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 2e. Capital Gains and Losses, by Adjusted Gross Income Group, SOI Individual Panel, Tax Year 2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	All transactions			
	Number of returns	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>21,651,534</b>	<b>3,081,431,987</b>	<b>2,855,551,805</b>	<b>303,754,272</b>
Under \$5,000 [1]	1,503,741	250,492,435	251,003,945	1,960,640
\$5,000 under \$10,000	856,074	43,800,948	44,542,383	-1,516,937
\$10,000 under \$15,000	954,271	62,397,208	60,307,695	-246,613
\$15,000 under \$20,000	1,043,472	30,885,307	31,309,951	-925,297
\$20,000 under \$25,000	887,089	137,421,588	135,856,813	147,195
\$25,000 under \$30,000	823,550	33,828,138	32,958,862	132,454
\$30,000 under \$40,000	1,680,672	108,345,797	102,884,722	3,675,172
\$40,000 under \$50,000	1,750,747	94,514,966	90,795,667	1,350,893
\$50,000 under \$75,000	3,540,633	211,800,252	206,575,632	3,416,949
\$75,000 under \$100,000	2,765,043	175,026,557	166,626,425	7,133,988
\$100,000 under \$200,000	3,933,976	432,199,831	399,825,245	30,480,137
\$200,000 under \$500,000	1,427,732	444,111,998	405,588,677	48,441,235
\$500,000 under \$1,000,000	305,266	211,913,870	187,139,820	33,720,334
\$1,000,000 under \$1,500,000	83,360	175,555,929	151,912,333	29,434,538
\$1,500,000 under \$2,000,000	34,445	67,774,013	59,454,758	15,905,405
\$2,000,000 under \$5,000,000	44,553	229,385,251	208,046,940	35,225,109
\$5,000,000 under \$10,000,000	11,082	84,634,916	75,333,761	20,412,770
\$10,000,000 or more	5,827	287,342,983	245,388,176	75,006,300

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 3a. Short-Term and Long-Term Capital Asset Transactions: All Asset Types, by Length of Time Held, SOI Individual Panel, Tax Year 1999**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Short-term transactions</b>								
<b>Total</b>	<b>56,278,618</b>	<b>1,629,577,463</b>	<b>1,500,094,730</b>	<b>151,384,735</b>	<b>37,527,247</b>	<b>967,825,949</b>	<b>1,072,494,816</b>	<b>-112,572,191</b>
Under 1 month	21,906,948	505,446,026	467,239,296	38,070,249	12,023,320	226,664,520	247,999,216	-21,372,255
1 month under 2 months	5,719,128	102,787,609	87,728,162	15,173,090	3,714,635	41,456,385	51,998,141	-10,487,793
2 months under 3 months	3,513,013	51,850,020	43,488,544	8,355,138	2,479,363	25,396,163	31,413,291	-6,016,826
3 months under 4 months	2,746,662	35,220,535	28,299,441	6,926,654	2,284,244	22,920,015	28,864,914	-5,945,640
4 months under 5 months	2,297,810	28,143,257	22,492,759	5,655,199	1,958,003	20,074,415	27,273,674	-7,162,427
5 months under 6 months	1,894,808	21,114,627	16,672,911	4,428,932	1,685,069	17,007,078	21,868,583	-4,869,716
6 months under 7 months	1,879,869	28,059,306	23,107,892	4,949,195	1,537,833	15,034,374	18,491,163	-3,458,571
7 months under 8 months	1,702,413	28,502,662	23,872,897	4,589,877	1,442,807	17,004,672	20,961,053	-3,958,450
8 months under 9 months	1,409,492	18,443,227	14,721,904	3,719,478	1,288,366	10,048,776	13,066,837	-3,015,060
9 months under 10 months	1,289,889	15,255,265	12,233,111	3,083,332	1,148,776	11,145,670	13,849,719	-2,704,255
10 months under 11 months	1,235,907	12,851,906	9,919,787	2,930,056	1,152,997	10,307,096	13,097,959	-2,795,495
11 months under 12 months	1,180,179	16,729,027	14,027,544	2,716,522	1,025,803	10,062,785	12,941,684	-2,876,232
1 year or more [2]	482,854	19,704,636	18,251,353	1,486,466	411,659	60,861,281	63,095,832	-2,236,232
Holding period not determinable	9,019,646	745,469,360	718,039,129	49,300,547	5,374,372	479,842,719	507,572,750	-35,673,225
<b>Long-term transactions</b>								
<b>Total</b>	<b>63,670,827</b>	<b>877,350,118</b>	<b>493,062,665</b>	<b>557,307,623</b>	<b>21,559,818</b>	<b>217,506,932</b>	<b>279,897,116</b>	<b>-70,984,680</b>
Under 18 months [3]	6,417,221	84,419,936	58,451,149	25,914,863	4,976,970	45,824,812	57,671,576	-12,351,940
18 months under 2 years	3,697,462	59,723,191	40,252,039	19,169,464	2,894,863	23,593,423	31,440,808	-7,847,605
2 years under 3 years	5,355,010	80,266,130	49,955,276	29,590,698	3,056,182	25,334,902	34,513,281	-9,187,295
3 years under 4 years	3,485,701	57,330,373	32,460,642	23,744,318	1,545,443	14,752,326	18,889,120	-4,160,525
4 years under 5 years	2,430,487	47,709,734	29,032,297	18,115,942	927,442	9,922,707	12,724,187	-2,803,420
5 years under 10 years	5,879,245	123,364,112	72,218,381	47,128,418	2,333,829	26,963,368	33,400,418	-6,457,854
10 years under 15 years	1,900,903	59,947,494	29,618,198	29,027,549	473,819	6,142,672	8,689,621	-2,548,167
15 years under 20 years	1,007,142	34,887,073	12,838,414	18,688,312	137,431	2,533,339	3,918,837	-1,385,745
20 years or more	1,173,384	63,464,111	20,168,402	36,755,158	90,141	2,056,591	2,992,725	-973,646
Holding period not determinable	32,324,272	266,237,964	148,067,867	309,172,901	5,123,698	60,382,792	75,656,543	-23,268,467

[1] Transactions with no gains or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions with holding periods under 1 year and transactions not reclassified during editing.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 3b. Short-Term and Long-Term Capital Asset Transactions: All Asset Types, by Length of Time Held, SOI Individual Panel, Tax Year 2000**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Short-term transactions</b>								
<b>Total:</b>	<b>69,850,903</b>	<b>2,079,439,849</b>	<b>1,899,956,226</b>	<b>202,469,549</b>	<b>62,993,854</b>	<b>1,664,538,861</b>	<b>1,889,910,846</b>	<b>-258,494,873</b>
Under 1 month	31,370,437	676,708,224	630,154,953	47,050,029	19,423,094	324,579,466	363,861,314	-39,389,630
1 month under 2 months	7,352,207	107,612,686	89,007,498	18,683,738	7,008,365	69,962,765	92,783,187	-22,846,596
2 months under 3 months	4,093,111	66,021,206	52,578,128	13,469,412	4,765,023	40,970,554	59,264,168	-18,302,285
3 months under 4 months	3,504,995	46,943,430	37,189,526	9,750,499	3,882,058	33,445,641	46,586,057	-13,145,142
4 months under 5 months	2,530,039	32,733,045	25,496,970	7,164,695	3,340,487	23,569,981	34,118,588	-10,617,324
5 months under 6 months	2,162,544	35,905,317	29,478,427	6,643,989	2,909,891	20,228,340	30,487,093	-10,417,272
6 months under 7 months	2,269,747	29,637,129	23,462,649	6,187,072	2,740,790	30,370,623	39,807,589	-9,483,543
7 months under 8 months	1,918,321	22,025,608	16,665,536	5,355,879	2,669,534	20,568,218	30,168,818	-9,612,104
8 months under 9 months	1,632,360	19,975,897	14,740,930	5,213,553	2,438,453	17,638,287	27,958,104	-10,323,715
9 months under 10 months	1,598,427	18,973,601	13,242,120	5,738,851	2,488,667	17,785,681	29,525,888	-11,750,313
10 months under 11 months	1,432,590	16,805,056	12,138,628	4,698,641	1,998,464	15,303,080	24,418,333	-9,119,428
11 months under 12 months	1,349,293	124,821,523	120,194,747	4,668,990	1,842,378	27,755,508	35,459,717	-7,708,377
1 year or more [2]	595,998	30,627,524	27,610,665	3,028,559	676,135	112,791,782	117,002,049	-4,124,008
Holding period not determinable	8,040,834	850,649,603	807,995,449	64,815,642	6,810,515	909,568,935	958,469,941	-81,655,136
<b>Long-term transactions</b>								
<b>Total</b>	<b>68,923,730</b>	<b>1,076,524,102</b>	<b>563,802,165</b>	<b>727,353,134</b>	<b>27,852,075</b>	<b>267,721,782</b>	<b>356,268,851</b>	<b>-97,245,752</b>
Under 18 months [3]	7,930,157	122,280,550	74,478,403	47,720,590	6,776,656	53,937,980	78,157,807	-25,039,539
18 months under 2 years	4,484,188	71,332,200	40,105,966	31,105,544	4,067,098	31,561,332	43,259,697	-11,728,903
2 years under 3 years	6,059,734	98,391,675	57,496,468	38,909,069	4,405,593	36,936,125	48,328,965	-11,332,012
3 years under 4 years	3,632,996	64,694,325	32,750,511	31,387,028	1,975,167	17,305,495	23,309,188	-6,004,999
4 years under 5 years	2,791,138	55,881,539	28,126,479	25,601,912	1,133,359	10,428,555	13,430,575	-2,981,991
5 years under 10 years	5,454,144	130,763,786	71,095,019	56,105,439	2,007,014	23,073,284	29,775,086	-6,698,457
10 years under 15 years	2,109,410	85,010,362	43,052,573	37,039,076	539,449	7,315,589	9,978,926	-2,666,624
15 years under 20 years	1,119,796	40,627,995	14,761,689	23,509,849	195,383	2,725,714	3,891,023	-1,165,316
20 years or more	1,478,967	59,490,458	15,881,222	40,633,506	146,711	1,468,799	1,920,331	-451,712
Holding period not determinable	33,863,200	348,051,212	186,053,835	395,341,121	6,605,645	82,968,909	104,217,253	-29,176,199

[1] Transactions with no gains or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions with holding periods under 1 year and transactions not reclassified during editing.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 3c. Short-Term and Long-Term Capital Asset Transactions: All Asset Types, by Length of Time Held, SOI Individual Panel, Tax Year 2001**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Short-term transactions</b>								
<b>Total:</b>	<b>43,152,387</b>	<b>915,852,620</b>	<b>850,019,654</b>	<b>81,084,594</b>	<b>51,328,949</b>	<b>767,592,726</b>	<b>907,320,496</b>	<b>-159,536,9</b>
Under 1 month	18,476,739	297,155,060	278,485,164	18,698,062	12,919,772	189,560,049	206,738,203	-17,245,4
1 month under 2 months	4,590,631	61,849,210	55,765,965	6,097,553	4,745,921	35,930,055	45,308,614	-9,384,1
2 months under 3 months	2,612,542	32,265,255	27,592,738	4,641,782	3,554,186	23,226,663	30,024,799	-6,804,4
3 months under 4 months	2,165,541	37,504,237	34,375,819	3,101,070	3,636,544	23,185,806	30,710,066	-7,518,8
4 months under 5 months	1,792,506	18,721,388	16,463,994	2,310,638	3,121,174	17,358,446	25,059,254	-7,678,5
5 months under 6 months	1,465,354	15,531,270	13,636,504	1,898,698	2,865,170	15,057,849	22,258,179	-7,197,9
6 months under 7 months	1,312,307	20,204,933	18,188,334	1,766,812	2,649,606	15,011,117	22,119,736	-7,111,2
7 months under 8 months	1,222,592	14,213,627	12,499,641	1,742,518	2,309,438	15,052,713	21,802,376	-6,756,0
8 months under 9 months	1,158,427	12,695,279	10,962,277	1,745,277	2,180,810	11,577,931	17,991,782	-6,415,2
9 months under 10 months	1,023,152	11,925,272	10,307,141	1,611,283	2,087,452	10,667,177	17,413,618	-6,746,9
10 months under 11 months	1,046,955	16,735,677	15,018,626	1,715,287	2,186,858	12,093,794	20,475,927	-8,377,6
11 months under 12 months	922,117	14,397,976	12,640,892	1,768,656	2,206,576	16,116,414	25,858,187	-9,744,9
1 year or more [2]	582,172	18,657,621	17,203,689	1,450,293	845,858	42,850,921	47,461,764	-4,582,8
Holding period not determinable	4,781,352	343,995,815	326,878,870	32,536,665	6,019,584	339,903,791	374,097,991	-53,972,5
<b>Long-term transactions</b>								
<b>Total:</b>	<b>54,225,957</b>	<b>865,002,522</b>	<b>536,383,275</b>	<b>435,403,208</b>	<b>36,452,014</b>	<b>286,271,041</b>	<b>422,090,347</b>	<b>-160,408,5</b>
Under 18 months [3]	5,836,186	89,878,643	71,032,617	19,140,114	9,973,547	51,423,383	88,368,559	-37,734,7
18 months under 2 years	3,760,218	57,434,475	44,486,884	12,728,710	5,805,780	28,887,122	50,894,422	-22,017,6
2 years under 3 years	5,241,272	85,232,472	63,353,298	19,809,048	5,315,109	42,768,047	59,926,656	-17,206,8
3 years under 4 years	3,030,914	55,964,120	40,329,740	14,814,168	2,380,165	19,052,950	25,740,426	-6,753,9
4 years under 5 years	2,369,374	44,457,819	30,776,132	12,915,946	1,210,026	11,086,989	14,614,260	-3,575,3
5 years under 10 years	5,898,646	125,513,230	76,171,356	43,044,704	2,219,340	21,663,619	28,088,947	-6,468,1
10 years under 15 years	1,748,578	62,545,192	36,235,719	22,877,160	427,595	5,114,164	6,737,204	-1,629,4
15 years under 20 years	873,114	37,842,687	11,187,078	24,134,172	162,569	1,326,393	2,212,197	-885,8
20 years or more	1,257,832	52,662,592	15,689,781	34,373,053	166,692	2,884,040	4,934,638	-2,054,9
Holding period not determinable	24,209,823	253,471,292	147,120,670	231,566,133	8,791,191	102,064,334	140,573,038	-62,081,4

[1] Transactions with no gains or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions with holding periods under 1 year and transactions not reclassified during editing.



# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 3d. Short-Term and Long-Term Capital Asset Transactions: All Asset Types, by Length of Time Held, SOI Individual Panel, Tax Year 2002**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Short-term transactions</b>								
<b>Total:</b>	<b>39,698,802</b>	<b>842,979,025</b>	<b>795,912,701</b>	<b>57,080,927</b>	<b>48,672,140</b>	<b>864,198,223</b>	<b>947,509,087</b>	<b>-95,531,779</b>
Under 1 month	16,241,454	341,714,178	329,724,229	12,019,998	12,263,659	204,436,158	216,212,602	-11,800,847
1 month under 2 months	4,196,086	60,970,200	56,623,371	4,351,457	4,747,547	38,849,752	44,500,415	-5,652,606
2 months under 3 months	2,363,845	25,965,809	23,672,435	2,327,252	3,342,525	22,943,931	27,327,837	-4,385,788
3 months under 4 months	2,085,203	33,216,695	31,068,325	2,148,034	3,297,837	18,152,349	23,308,683	-5,209,083
4 months under 5 months	1,764,060	19,797,407	17,982,746	1,833,718	2,824,017	15,442,236	19,943,611	-4,506,676
5 months under 6 months	1,460,059	15,411,235	13,734,529	1,643,915	2,640,662	16,609,060	20,906,750	-4,295,242
6 months under 7 months	1,225,688	14,619,155	13,303,974	1,339,876	2,624,317	14,669,681	19,383,871	-4,715,509
7 months under 8 months	1,103,115	10,898,460	9,804,266	1,195,245	2,332,236	13,462,051	18,126,911	-4,665,350
8 months under 9 months	1,176,777	11,928,761	10,255,619	1,670,251	2,051,724	9,295,149	12,813,457	-3,545,299
9 months under 10 months	954,580	9,628,886	8,550,101	1,069,855	2,051,205	10,700,837	14,049,835	-3,349,419
10 months under 11 months	820,176	9,260,387	8,249,993	1,002,519	1,983,483	10,245,557	13,749,304	-3,504,564
11 months under 12 months	826,798	12,253,173	11,176,848	1,008,644	1,597,224	8,576,065	11,863,497	-3,287,502
1 year or more [2]	430,285	6,817,290	5,854,258	981,352	689,985	13,992,249	16,608,704	-2,517,303
Holding period not determinable	5,050,676	270,497,389	255,912,007	24,488,811	6,225,719	466,823,148	488,713,610	-34,096,591
<b>Long-term transactions</b>								
<b>Total</b>	<b>46,678,522</b>	<b>842,212,042</b>	<b>538,526,947</b>	<b>374,902,166</b>	<b>47,714,297</b>	<b>318,128,330</b>	<b>501,274,861</b>	<b>-204,579,497</b>
Under 18 months [3]	4,455,193	68,577,345	56,158,006	13,165,025	9,197,628	48,399,747	72,598,636	-24,383,502
18 months under 2 years	2,803,565	53,074,127	42,066,832	10,260,873	6,752,665	29,413,240	52,678,742	-23,282,945
2 years under 3 years	4,597,112	86,435,693	69,032,949	15,825,555	9,235,236	40,098,376	77,995,720	-37,908,515
3 years under 4 years	2,830,120	51,403,893	39,192,418	10,558,335	4,281,603	24,008,950	39,336,325	-15,334,211
4 years under 5 years	2,166,033	44,320,415	30,998,975	12,009,166	2,353,607	15,507,401	24,292,457	-8,785,893
5 years under 10 years	6,045,747	139,941,554	91,840,066	43,359,216	3,483,142	27,543,751	37,937,567	-10,419,111
10 years under 15 years	1,999,451	61,540,140	34,872,206	23,231,985	542,936	7,560,852	9,836,009	-2,280,266
15 years under 20 years	969,920	42,863,931	14,427,381	22,184,365	209,811	1,930,956	3,391,491	-1,460,534
20 years or more	1,390,508	67,544,039	18,908,194	43,406,243	280,549	1,794,370	3,098,866	-1,363,351
Holding period not determinable	19,420,873	226,510,905	141,029,920	180,901,403	11,377,120	121,870,687	180,109,048	-79,361,169

[1] Transactions with no gains or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions with holding periods under 1 year and transactions not reclassified during editing.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 3e. Short-Term and Long-Term Capital Asset Transactions: All Asset Types, by Length of Time Held, SOI Individual Panel, Tax Year 2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Short-term transactions</b>								
<b>Total:</b>	<b>52,527,265</b>	<b>1,150,821,580</b>	<b>1,088,411,962</b>	<b>79,498,791</b>	<b>31,550,040</b>	<b>703,990,005</b>	<b>740,583,596</b>	<b>-41,928,777</b>
Under 1 month	17,597,373	374,393,459	358,657,381	15,858,712	10,122,724	228,151,271	236,537,295	-8,346,724
1 month under 2 months	5,042,972	59,682,900	54,346,715	5,364,863	3,149,892	31,475,295	35,612,615	-4,142,691
2 months under 3 months	3,587,349	40,463,658	36,821,356	3,608,283	2,097,672	16,566,564	18,814,941	-2,247,181
3 months under 4 months	3,275,035	34,059,708	30,485,789	3,376,773	1,719,570	13,853,680	15,751,790	-1,891,641
4 months under 5 months	2,700,040	25,150,826	22,392,495	2,760,649	1,386,650	12,885,736	14,309,464	-1,423,601
5 months under 6 months	2,537,303	24,364,554	22,073,086	2,289,436	1,280,987	9,738,691	10,827,770	-1,093,081
6 months under 7 months	2,446,000	23,960,536	21,674,650	2,283,874	1,175,699	14,902,458	16,178,063	-1,277,351
7 months under 8 months	1,910,642	21,739,924	18,372,366	2,484,789	1,025,333	7,541,260	8,677,867	-1,133,061
8 months under 9 months	1,837,261	12,130,791	10,380,846	1,756,057	1,182,734	11,299,399	12,457,570	-1,158,371
9 months under 10 months	1,643,529	15,384,797	13,600,587	1,817,613	997,193	5,186,318	6,305,659	-1,119,681
10 months under 11 months	1,579,709	18,151,057	15,540,793	2,575,514	1,216,223	5,604,982	6,836,077	-1,231,261
11 months under 12 months	1,438,310	14,066,704	12,562,744	1,545,978	1,275,190	6,850,159	8,245,095	-1,394,931
1 year or more [2]	570,973	11,409,178	10,073,238	1,347,741	493,280	20,520,944	21,735,025	-1,188,741
Holding period not determinable	6,360,769	475,863,488	461,429,916	32,428,509	4,426,893	319,413,248	328,294,365	-14,280,421
<b>Long-term transactions</b>								
<b>Total</b>	<b>48,257,663</b>	<b>947,659,232</b>	<b>629,385,366</b>	<b>402,976,826</b>	<b>41,078,136</b>	<b>278,961,173</b>	<b>397,170,885</b>	<b>-136,792,571</b>
Under 18 months [3]	6,633,293	101,175,155	82,524,687	17,904,872	7,094,865	37,980,081	47,301,725	-9,490,441
18 months under 2 years	3,741,630	58,474,488	47,760,397	10,437,723	5,039,141	25,695,618	33,463,426	-7,773,641
2 years under 3 years	4,454,012	93,209,002	74,474,838	15,314,236	7,027,645	36,689,032	55,059,597	-18,479,141
3 years under 4 years	3,185,949	65,824,992	49,594,422	15,854,868	4,872,930	22,404,782	41,836,421	-19,441,821
4 years under 5 years	2,018,460	44,430,880	30,711,434	10,923,211	2,473,695	15,198,548	22,284,747	-7,120,921
5 years under 10 years	6,057,110	172,809,214	113,071,536	49,778,841	3,476,711	24,993,951	34,979,955	-10,025,931
10 years under 15 years	2,084,451	78,652,642	43,939,262	30,558,375	608,872	7,026,976	10,492,809	-3,576,881
15 years under 20 years	848,967	40,588,233	15,929,370	21,425,723	227,959	2,120,601	3,045,656	-926,591
20 years or more	1,129,434	63,613,243	18,447,892	37,806,661	157,057	1,587,282	2,337,490	-810,241
Holding period not determinable	18,104,357	228,881,383	152,931,528	192,972,316	10,099,261	105,264,302	146,369,059	-59,146,931

[1] Transactions with no gains or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions with holding periods under 1 year and transactions not reclassified during editing.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 4a. Distribution of Number of Returns and Amount for Returns with Net Gains or Losses Realized, SOI Individual Panel, Tax Years 1999-2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	Number of returns with no net gains or losses all years (1)	Returns with net gains or losses for 1 year		Returns with net gains or losses for 2 years		Returns with net gains or losses for 3 years		Returns with net gains or losses for 4 years		Returns with net gains or losses for 5 years	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Total</b>	<b>381,617,614</b>	<b>53,666,982</b>	<b>70,785,420</b>	<b>33,038,050</b>	<b>73,530,503</b>	<b>29,238,608</b>	<b>114,588,432</b>	<b>28,594,898</b>	<b>174,945,726</b>	<b>60,735,719</b>	<b>1,502,108,244</b>
Under \$5,000 [1]	27,092,081	2,307,185	2,037,071	2,146,688	3,886,633	2,275,692	3,223,242	1,644,163	2,812,828	2,760,694	21,401,697
\$5,000 under \$10,000	53,641,043	3,666,930	1,764,809	1,888,835	1,448,163	1,524,985	1,410,874	1,368,582	1,145,075	2,184,138	2,923,989
\$10,000 under \$15,000	57,610,228	4,217,261	2,778,244	2,414,436	2,159,316	1,852,426	2,289,281	1,489,280	1,286,158	2,667,581	4,836,397
\$15,000 under \$20,000	48,686,954	4,410,528	2,653,172	2,127,960	1,745,935	1,477,407	1,433,576	1,521,880	1,988,748	2,690,590	6,364,851
\$20,000 under \$25,000	39,941,184	4,401,893	4,515,799	2,235,550	2,206,653	1,793,616	1,752,943	1,411,889	2,430,534	2,698,279	7,456,319
\$25,000 under \$30,000	31,225,005	4,427,316	3,901,602	2,191,015	2,511,977	1,901,794	2,755,309	1,547,902	3,037,737	2,684,563	9,923,732
\$30,000 under \$40,000	44,823,451	6,964,000	6,761,694	4,123,598	5,883,319	3,238,084	5,353,384	3,152,257	8,375,420	5,304,509	16,703,123
\$40,000 under \$50,000	29,873,392	6,202,569	7,785,520	3,770,490	5,192,028	3,042,694	5,758,069	3,086,764	10,131,482	5,063,175	20,083,842
\$50,000 under \$75,000	34,390,328	10,371,457	12,788,712	6,511,987	11,234,275	5,768,893	13,051,971	5,706,710	20,036,148	11,368,154	59,303,131
\$75,000 under \$100,000	9,593,599	3,895,691	8,698,525	2,790,267	5,463,598	3,048,276	10,535,491	3,165,671	16,797,472	7,071,431	61,756,980
\$100,000 under \$200,000	4,389,508	2,424,241	9,132,600	2,451,113	11,498,860	2,656,962	19,675,496	3,466,995	27,290,309	10,164,799	158,587,148
\$200,000 under \$500,000	336,843	348,476	2,684,088	315,265	6,104,552	577,625	27,083,943	861,473	32,051,947	4,494,544	230,643,417
\$500,000 under \$1,000,000	30,779	22,784	1,002,512	40,922	3,326,208	60,559	3,688,543	120,135	19,626,727	986,345	171,268,775
\$1,000,000 under \$1,500,000	2,345	3,222	621,015	13,243	6,858,946	7,797	2,367,492	23,945	5,095,632	255,622	88,284,489
\$1,500,000 under \$2,000,000	474	1,609	107,844	13,228	1,656,640	2,766	1,158,789	16,183	3,735,607	108,119	58,584,655
\$2,000,000 under \$5,000,000	345	723	313,417	3,025	775,687	7,839	1,774,763	9,026	6,186,098	182,773	204,746,104
\$5,000,000 under \$10,000,000	37	1,037	2,497,704	365	151,342	877	951,451	1,392	3,109,740	40,525	123,751,178
\$10,000,000 or more	20	61	737,092	64	1,426,373	296	10,323,814	651	9,808,066	19,880	255,482,417

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 4b. Distribution of Number of Returns and Amount for Returns with Net Gains Realized, SOI Individual Panel, Tax Years 1999-2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	Number of returns with no net gains realized all years	Returns with net gains realized for 1 year		Returns with net gains realized for 2 years		Returns with net gains realized for 3 years		Returns with net gains realized for 4 years		Returns with net gains or realized for 5 years	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Total</b>	<b>412,560,970</b>	<b>65,232,932</b>	<b>183,423,223</b>	<b>46,400,570</b>	<b>385,149,595</b>	<b>32,470,954</b>	<b>412,477,647</b>	<b>17,782,566</b>	<b>399,449,225</b>	<b>12,443,879</b>	<b>586,953,766</b>
Under \$5,000 [1]	28,701,335	2,983,380	3,640,170	3,085,649	6,905,170	2,072,390	7,828,730	833,965	8,598,664	549,784	8,806,303
\$5,000 under \$10,000	55,394,515	3,910,817	1,795,701	2,395,195	2,684,281	1,561,776	2,615,347	609,125	1,789,640	403,086	1,523,364
\$10,000 under \$15,000	59,519,042	4,595,600	2,964,324	2,785,058	3,641,970	1,766,141	3,517,115	950,521	2,176,892	644,853	2,639,900
\$15,000 under \$20,000	50,646,823	4,760,824	2,903,547	2,410,891	3,652,440	1,607,844	3,039,774	805,367	2,642,683	663,569	3,476,659
\$20,000 under \$25,000	41,997,590	4,677,797	5,064,668	2,572,071	4,085,737	1,688,232	4,745,842	962,526	3,208,655	584,194	3,065,016
\$25,000 under \$30,000	33,368,348	4,640,404	5,613,434	2,617,834	5,211,390	1,930,567	5,775,978	877,762	3,799,604	542,680	3,608,038
\$30,000 under \$40,000	48,768,568	7,731,360	7,836,539	4,802,139	11,037,328	3,427,819	10,742,487	1,729,464	8,672,204	1,146,550	8,255,573
\$40,000 under \$50,000	33,142,988	7,250,796	11,485,620	4,619,313	11,467,452	3,077,324	10,059,848	1,766,159	9,912,863	1,182,503	9,078,455
\$50,000 under \$75,000	40,572,401	12,422,644	19,498,845	9,207,163	28,313,039	6,274,542	29,753,606	3,317,791	21,271,884	2,312,988	23,560,767
\$75,000 under \$100,000	12,386,299	5,663,923	15,425,198	4,578,193	24,825,166	3,405,461	22,657,212	2,072,214	22,460,011	1,458,846	20,741,738
\$100,000 under \$200,000	6,952,549	4,957,964	25,670,285	5,227,856	39,878,304	4,012,153	55,401,748	2,633,324	48,497,949	1,769,769	60,396,715
\$200,000 under \$500,000	934,316	1,306,327	23,181,004	1,590,213	57,192,719	1,311,287	67,377,297	915,089	63,703,152	876,994	88,324,435
\$500,000 under \$1,000,000	126,763	232,439	20,230,029	322,808	51,042,909	207,756	31,356,016	191,816	42,871,755	179,942	53,623,688
\$1,000,000 under \$1,500,000	27,251	43,448	6,049,148	80,435	27,284,667	65,412	25,498,448	46,292	20,117,898	43,336	24,376,627
\$1,500,000 under \$2,000,000	9,085	22,947	4,143,211	40,143	11,265,925	23,374	12,847,637	22,518	14,420,551	24,331	22,588,083
\$2,000,000 under \$5,000,000	10,333	25,371	9,736,373	53,634	36,220,772	35,666	46,883,250	35,910	41,665,788	42,814	79,314,889
\$5,000,000 under \$10,000,000	1,802	5,073	6,469,779	8,060	22,714,380	9,738	26,279,320	8,876	28,870,991	10,684	46,131,407
\$10,000,000 or more	963	1,818	11,712,350	3,915	37,725,945	3,471	46,137,893	3,847	54,768,053	6,956	127,436,110

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

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**Table 4c. Distribution of Number of Returns and Amount for Returns with Losses Realized, SOI Individual Panel, Tax Years 1999-2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Adjusted gross income	Number of returns with no net gains realized all years (1)	Returns with net losses realized for 1 year		Returns with net losses realized for 2 years		Returns with net losses realized for 3 years		Returns with net losses realized for 4 years		Returns with net losses realized for 5 years	
		Number (2)	Amount (3)	Number (4)	Amount (5)	Number (6)	Amount (7)	Number (8)	Amount (9)	Number (10)	Amount (11)
<b>Total</b>	<b>475,354,817</b>	<b>45,930,003</b>	<b>389,312,576</b>	<b>28,647,119</b>	<b>313,543,230</b>	<b>20,252,123</b>	<b>287,558,079</b>	<b>10,799,159</b>	<b>61,774,508</b>	<b>5,908,650</b>	<b>-15,591,248</b>
Under \$5,000 [1]	32,863,402	1,956,987	7,891,119	1,315,311	4,018,077	1,085,501	2,217,491	519,497	579,764	485,807	-1,264,362
\$5,000 under \$10,000	59,114,743	2,186,403	1,239,189	1,450,564	787,331	899,258	167,055	326,919	-278,945	296,626	-778,784
\$10,000 under \$15,000	64,481,912	2,670,527	1,886,349	1,507,624	913,229	844,544	507,627	514,488	-497,646	232,119	-552,090
\$15,000 under \$20,000	54,908,804	2,854,894	2,252,440	1,499,887	1,011,817	881,609	871,075	556,434	-342,565	193,691	-515,144
\$20,000 under \$25,000	46,492,117	2,909,799	3,090,721	1,429,634	2,219,567	908,142	754,632	472,009	-202,546	270,710	-685,054
\$25,000 under \$30,000	37,852,670	2,780,084	3,361,289	1,666,674	3,076,783	907,661	1,636,505	452,014	538,118	318,492	-843,701
\$30,000 under \$40,000	55,823,851	5,346,957	6,546,490	3,093,319	5,866,031	1,762,997	2,253,676	929,151	-680,822	649,628	-1,763,170
\$40,000 under \$50,000	40,210,122	4,936,709	7,859,232	2,801,166	5,840,718	1,596,800	5,084,934	964,858	-283,232	529,429	-1,376,483
\$50,000 under \$75,000	52,123,310	9,400,304	22,328,792	5,500,277	18,732,563	4,010,229	10,893,875	1,975,570	1,234,853	1,097,839	-2,923,752
\$75,000 under \$100,000	17,517,328	4,722,723	21,831,829	3,023,380	13,655,511	2,491,017	15,172,376	1,273,854	3,252,674	536,633	-1,411,917
\$100,000 under \$200,000	11,346,879	4,551,392	46,378,571	3,868,080	39,157,139	3,125,833	25,220,357	1,815,159	9,160,546	846,272	-2,269,966
\$200,000 under \$500,000	2,130,914	1,275,166	64,238,626	1,158,729	47,770,418	1,258,654	47,453,968	757,846	11,000,372	352,917	-941,215
\$500,000 under \$1,000,000	307,156	213,633	44,467,204	198,000	26,134,852	314,151	53,834,827	164,734	10,040,645	63,850	-170,397
\$1,000,000 under \$1,500,000	69,362	46,397	19,057,956	65,353	24,873,682	70,036	19,537,763	37,754	4,179,999	17,272	-48,152
\$1,500,000 under \$2,000,000	42,205	23,700	15,371,154	21,421	11,619,054	37,445	10,630,888	10,352	2,130,311	7,276	-20,113
\$2,000,000 under \$5,000,000	49,579	41,601	42,789,798	35,124	43,975,492	46,468	34,293,902	23,138	9,019,931	7,820	-20,695
\$5,000,000 under \$10,000,000	13,028	8,806	28,351,125	9,303	24,987,127	7,941	22,313,811	3,741	3,681,123	1,412	-3,843
\$10,000,000 or more	7,436	3,921	50,471,692	3,275	38,903,839	3,836	34,713,318	1,642	9,241,918	859	-2,410

[1] Includes adjusted gross deficit.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

Statistics of Income Bulletin | Summer 2009

**Table 5a. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, Cross-Section, Tax Year 1999**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>179,036,504</b>	<b>3,692,260,458</b>	<b>3,345,549,329</b>	<b>525,135,483</b>
Corporate stock	102,768,793	2,038,969,949	1,815,854,215	224,438,833
U.S. Government obligations	1,661,647	136,905,104	136,676,681	17,443
State and local government obligations	2,980,945	114,293,571	114,475,074	-175,052
Other bonds, notes, and debentures	852,341	31,126,824	30,885,344	251,093
Put and call options	6,203,471	41,561,030	40,538,987	1,189,119
Futures contracts	332,496	6,991,249	8,728,099	-1,695,952
Mutual funds, except tax-exempt bond funds	26,728,492	495,326,399	480,076,650	15,316,879
Tax-exempt bond mutual funds	4,885,932	64,156,065	65,391,107	-1,248,039
Partnership, S corporation, and estate or trust interests	1,523,705	50,808,957	33,700,723	17,832,301
Livestock	825,981	2,903,702	1,097,194	1,398,095
Timber	98,622	2,454,789	649,700	1,713,105
Involuntary conversions	74,990	301,438	11,373	58,568
Residential rental property	1,619,598	112,506,150	79,640,017	24,820,154
Depreciable business personal property	1,314,253	8,853,932	5,699,227	1,213,814
Depreciable business real property	713,197	49,269,177	34,304,699	13,862,743
Farmland	118,533	11,035,200	5,179,127	2,887,856
Other land	1,070,696	40,584,545	26,023,533	12,973,849
Residences	296,953	37,285,813	31,428,680	3,542,186
Other assets	2,864,540	392,248,875	384,503,626	7,461,794
Unidentifiable	632,747	54,677,688	50,685,274	5,006,526
Passthrough gains or losses	4,520,381	N/A	N/A	132,546,389
Capital gain distributions	16,948,193	N/A	N/A	61,723,778

N/A—Passthrough gain or losses and capital gain distributions are not reported with a sales price or basis.



# Sales of Capital Assets Panel Data, Tax Years 1999-2003

Statistics of Income Bulletin | Summer 2009

**Table 5b. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, Cross-Section, Tax Year 2000**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>236,874,553</b>	<b>5,231,772,567</b>	<b>4,847,795,479</b>	<b>582,445,853</b>
Corporate stock	155,530,257	3,296,603,089	3,049,647,705	239,021,813
U.S. Government obligations	1,464,053	129,631,605	129,524,054	184,897
State and local government obligations	2,876,321	113,418,570	114,018,445	-765,990
Other bonds, notes, and debentures	789,745	25,503,174	25,790,440	-281,578
Put and call options	7,563,383	65,498,076	62,657,672	2,824,561
Futures contracts	424,080	9,978,072	7,743,129	2,233,224
Mutual funds, except tax-exempt bond funds	30,235,548	370,800,174	360,935,930	9,788,242
Tax-exempt bond mutual funds	3,064,274	55,517,909	57,274,747	-1,763,283
Partnership, S corporation, and estate or trust interests	1,272,789	228,274,641	212,037,270	16,786,665
Livestock	835,326	4,477,178	1,241,920	2,481,511
Timber	139,616	3,867,121	964,012	2,904,784
Involuntary conversions	146,205	103,823	-104,041	-100,608
Residential rental property	1,609,588	121,090,403	89,216,479	23,915,984
Depreciable business personal property	1,391,287	13,413,775	8,932,031	2,110,295
Depreciable business real property	774,230	59,712,721	39,619,143	15,906,070
Farmland	126,424	9,537,941	6,189,049	3,017,474
Other land	957,513	40,845,505	22,032,453	17,351,415
Residences	319,250	49,211,301	40,615,868	5,046,505
Other assets	3,785,165	326,269,639	312,574,310	12,480,104
Unidentifiable	704,366	308,017,852	306,884,864	881,670
Passthrough gains or losses	4,741,515	N/A	N/A	144,202,612
Capital gain distributions	18,123,615	N/A	N/A	84,219,484

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

Statistics of Income Bulletin | Summer 2009

**Table 5c. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, Cross-Section, Tax Year 2001**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>197,379,297</b>	<b>3,016,425,527</b>	<b>2,896,539,270</b>	<b>205,947,701</b>
Corporate stock	126,775,316	1,544,798,671	1,509,233,759	34,078,164
U.S. Government obligations	1,828,344	169,895,071	168,026,685	1,551,902
State and local government obligations	3,047,184	125,645,493	124,663,821	916,277
Other bonds, notes, and debentures	1,189,235	30,383,107	30,802,076	-487,090
Put and call options	4,426,018	39,902,661	38,758,107	1,206,621
Futures contracts	230,961	5,502,890	3,817,330	1,705,984
Mutual funds, except tax-exempt bond funds	28,392,661	283,764,350	313,435,821	-29,630,647
Tax-exempt bond mutual funds	2,518,731	50,646,538	50,732,142	-349,163
Partnership, S corporation, and estate or trust interests	1,163,180	83,957,288	73,600,497	10,911,117
Livestock	827,687	3,903,511	1,219,549	2,144,994
Timber	96,569	2,402,174	897,648	1,504,110
Involuntary conversions	171,714	203,479	-79,691	-105,920
Residential rental property	1,471,594	119,041,492	84,218,352	28,667,879
Depreciable business personal property	1,211,013	10,044,078	6,985,469	1,018,427
Depreciable business real property	773,351	59,111,786	40,479,500	18,686,477
Farmland	122,925	6,109,100	3,834,950	2,146,587
Other land	851,984	35,775,068	20,340,271	14,206,287
Residences	399,103	79,642,028	63,588,751	7,715,888
Other assets	3,962,118	257,853,924	256,718,346	957,310
Unidentifiable	595,456	107,842,816	105,265,886	4,100,138
Passthrough gains or losses	4,599,620	N/A	N/A	90,585,641
Capital gain distributions	12,724,530	N/A	N/A	14,416,716

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

Statistics of Income Bulletin | Summer 2009

**Table 5d. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, Cross-Section, Tax Year 2002**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>193,597,750</b>	<b>2,990,876,736</b>	<b>2,908,395,593</b>	<b>127,071,094</b>
Corporate stock	124,306,341	1,447,095,542	1,460,100,055	-13,928,182
U.S. Government obligations	1,663,497	150,132,961	149,351,693	590,599
State and local government obligations	3,594,153	146,698,985	145,869,727	767,241
Other bonds, notes, and debentures	1,146,952	62,402,286	63,543,567	-1,162,139
Put and call options	3,884,315	17,539,120	17,286,049	528,137
Futures contracts	249,911	9,010,387	5,824,958	3,238,918
Mutual funds, except tax-exempt bond funds	31,108,335	282,008,662	324,977,480	-43,044,441
Tax-exempt bond mutual funds	2,626,645	44,421,399	44,265,464	119,905
Partnership, S corporation, and estate or trust interests	1,353,993	56,745,261	42,856,646	14,302,558
Livestock	719,089	3,509,518	1,741,988	1,286,228
Timber	109,873	2,600,535	814,512	1,785,806
Involuntary conversions	223,239	349,867	185,080	65,621
Residential rental property	1,676,647	162,404,122	115,550,775	34,516,051
Depreciable business personal property	1,496,595	11,487,204	8,939,526	772,141
Depreciable business real property	742,149	66,768,703	42,601,976	19,655,648
Farmland	139,456	7,690,987	4,490,263	3,421,982
Other land	953,623	45,245,580	28,772,669	15,774,287
Residences	386,454	76,660,848	57,363,299	8,878,573
Other assets	3,823,000	349,043,425	345,132,810	3,560,692
Unidentifiable	726,051	48,516,881	48,727,058	-785,837
Passthrough gains or losses	4,770,154	N/A	N/A	71,350,611
Capital gain distributions	7,897,276	N/A	N/A	5,376,692

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# Sales of Capital Assets Panel Data, Tax Years 1999-2003

Statistics of Income Bulletin | Summer 2009

**Table 5e. Short-Term and Long-Term Capital Gains and Losses, by Asset Type, Cross-Section, Tax Year 2003**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type	All transactions			
	Number of transactions	Sales price	Basis	Net gain or loss
	(1)	(2)	(3)	(4)
<b>Total</b>	<b>186,689,092</b>	<b>3,206,959,002</b>	<b>2,975,950,410</b>	<b>310,491,092</b>
Corporate stock	119,233,623	1,518,730,831	1,438,856,940	79,901,422
U.S. Government obligations	2,416,064	161,865,429	161,407,686	431,111
State and local government obligations	4,655,345	179,894,247	178,253,168	1,560,015
Other bonds, notes, and debentures	1,784,029	116,234,014	115,226,204	962,594
Put and call options	3,679,916	22,961,577	21,754,506	1,431,041
Futures contracts	364,319	4,983,237	4,215,742	802,915
Mutual funds, except tax-exempt bond funds	26,192,496	272,789,674	292,278,479	-19,557,307
Tax-exempt bond mutual funds	3,178,613	61,430,191	61,361,246	61,853
Partnership, S corporation, and estate or trust interests	1,772,544	54,063,144	39,529,762	14,499,089
Livestock	783,985	3,738,580	1,337,384	1,663,153
Timber	103,681	1,653,225	616,537	1,035,789
Involuntary conversions	247,348	331,844	-64,868	91,924
Residential rental property	1,693,443	179,329,730	128,945,687	35,426,243
Depreciable business personal property	1,755,172	13,599,126	9,017,684	1,761,241
Depreciable business real property	658,295	60,469,766	34,879,270	23,913,007
Farmland	117,868	5,791,886	3,754,707	1,850,467
Other land	957,930	61,324,098	33,015,854	24,973,536
Residences	447,454	107,323,582	82,217,290	13,641,545
Other assets	3,060,027	217,224,155	210,163,899	4,824,792
Unidentifiable	905,188	163,220,668	159,183,230	4,095,517
Passthrough gains or losses	5,080,213	N/A	N/A	112,172,300
Capital gain distributions	7,601,540	N/A	N/A	4,948,849

N/A—Passthrough gains or losses and capital gain distributions are not reported with a sales price or basis.

# SOI Sampling Methodology and Data Limitations

**T**his article discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports. More technical information is available, on request, by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

## Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on such criteria as: industry, presence or absence of a tax form or schedule, and various income factors or other measures of economic size (such as total assets, total receipts, size of gift, and size of estate). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years—3 for corporations because of the incidence of fiscal (noncalendar) year reporting and extensions of filing time. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from those planned. However, these factors do not compromise the validity of the estimates.

The probability of a return's selection depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated pro-

cessing costs or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the Social Security number (SSN) or the Employer Identification Number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TINs designated from one year's sample are, for the most part, selected for the next year's, so that a very high proportion of the returns selected in the current year's sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

## Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. "Weights" are computed by dividing the count of returns filed for a given stratum by the number of population sample returns for that same stratum. These weights are usually adjusted for unavailable returns, outliers, or trimming weights. Weights are used to adjust for the various sampling rates used, relative to the population—the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "poststrata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these poststrata using additional population counts. The data on each sample return in a stratum are then multiplied by that weight. To produce

**Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.**

## SOI Sampling Methodology and Data Limitations

**In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.**

the tabulated estimates, the weighted data are summed to produce the published statistical totals.

### Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample

design. Estimates derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports, the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its CV to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68-percent confidence interval estimate:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ \times 0.02 & \text{(coefficient of variation)} \\ = 3,000 & \text{(standard error of estimate)} \end{array}$$

then:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ + \text{ or } - 3,000 & \text{(standard error)} \\ = \{147,000, 153,000\} & \text{(68-percent confidence interval).} \end{array}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible

samples similarly selected. To obtain this interval estimate with 95-percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study may be obtained, on request, by writing to the Director, Statistics of Income Division, at the address given above.

### Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors and inconsistencies, processing errors, and the effects of any early cutoff of sampling. Additional information on nonsampling error as it applies to individual and corporation income tax returns is presented in the separate SOI reports on these returns.

In transcribing and tabulating the information from returns or forms selected for the sample, steps are taken to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during the statistical abstracting and "editing" process that takes place in IRS submission processing centers. This is done to improve data consistency from return to return and to achieve definitions of the data items more in keeping with the needs of major users. In some cases, not all of the data are available from the tax return as originally filed. Sometimes, the missing data can be obtained by the Statistics of Income Division in Washington, DC, through field followup. More often, though, they are obtained through manual or computerized imputation. For this purpose, other information in the return or in accompanying schedules may be sufficient to serve as the basis for making an estimate. Prior-year data for the same taxpayer can be used for this same purpose, or comparable data from business reference books may be substituted.

Data abstracted or "edited" from returns for statistical use are subjected to a number of validation checks, including systematic verifications of a sampling of the work of each tax examiner involved in the SOI process. Data reported on sampled returns



## SOI Sampling Methodology and Data Limitations

and previously transcribed as part of processing for the IRS Master Files are subject to validation as part of the administrative process before SOI processing begins. However, during the administrative process, it is only practical to transcribe corrections to errors that have a direct bearing on the tax reported or the refund claimed. Therefore, during the SOI process, checks must also be made to correct any errors or inconsistencies left in the administrative data before the data can be accepted for the statistics.

The Statistics of Income program includes many more tax return items than are transcribed and perfected for IRS tax administration needs, especially for items reported in tax return schedules in support of the various summary totals reported on the return. Therefore, checks must also be designed to validate these additional data items and to assure that they are consistent with other data entries.

Most of the data validation checks made during the SOI process take the form of computerized tests of each record. In addition to verifying that internal consistency and proper balance and relationships among the tax return items and statistical classifications are maintained, this process is intended to check on consistency with tax law provisions, acceptable reporting practices, and generally accepted accounting principles. Most testing occurs during the data abstracting and editing operation, while the tax return source document is still on hand, although some testing for certain programs occurs later on. Records failing the tests are subjected to further review and correction.

Finally, before publication, the statistics are reviewed for accuracy and reasonableness in light of the tax law provisions, taxpayer reporting variations and other limitations, tolerances and statistical techniques allowed or employed in data processing and estimating, economic conditions, and comparability with other statistical series. However, these controls do not completely eliminate the possibility of error. When discovered, errors in *Bulletin* tables are corrected, through a published errata.

### Table Conventions

Published estimates subject to excessive sampling variability are identified for most of the statistics by means of an asterisk (\*) presented alongside the estimate or in place of an estimate. Presence of an asterisk means that the sampling rate was less than 100 percent of the population and that there were fewer than 10 sample observations available for estimation purposes. This method produces a rough indication of excessive sampling variability. However, the results will differ somewhat from more precise indicators of excessive sampling variability based on the standard statistical formula. For some of the statistics based on samples, asterisking was not possible because of resource and other constraints. Users should keep this limitation in mind when using these data.

A zero, in place of a frequency or an amount, in any given table cell presenting data based on an SOI sample, indicates either that (1) there were no returns in the population with the particular characteristic, or (2) because of its rarity, instances of the characteristic were not present among the sampled returns. However, for statistics based on returns selected for the sample at the 100-percent rate, a zero indicates a presumption of no returns with the particular characteristic in the population.

In addition to sampling variability, Statistics of Income is required to prevent disclosure of information about specific taxpayers or businesses in its tables. Therefore, a weighted frequency (and the associated amount, where applicable) of less than 3 is either combined with data in an adjacent cell(s) so as to meet the criteria, or deleted altogether. Similar steps are taken to prevent indirect disclosure through subtraction. However, any combined or deleted data are included in the appropriate totals. Most data on tax-exempt, nonprofit organizations are excluded from disclosure review because the Internal Revenue Code and regulations permit public access to most of the information reported by these organizations.

# Public Release of SOI Information

## Goals for Public Release of SOI Information

Statistics of Income program and year	End of tax year	Close of filing period—		Close of sampling period	Tentative release date for final data
		Regular	With extensions of time		
	(1)	(2)	(3)	(4)	(5)
<b>Individual income tax returns:</b>					
2007	December 2007	April 2008	October 2008	December 2008	August 2009
2008	December 2008	April 2009	October 2009	December 2009	August 2010
<b>Nonfarm sole proprietorships:</b>					
2007	December 2007	April 2008	October 2008	December 2008	August 2009
2008	December 2008	April 2009	October 2009	December 2009	August 2010
<b>Partnerships:</b>					
2007	December 2007	April 2008	October 2008	December 2008	July 2009
2008	December 2008	April 2009	October 2009	December 2009	July 2010
<b>Corporations [1]:</b>					
2006	June 2007	September 2007	March 2008	June 2008	February 2009
2007	June 2008	September 2008	March 2009	June 2009	February 2010
<b>Corporation foreign tax credit [2]:</b>					
2005	June 2006	September 2006	March 2007	June 2007	October 2008
2006	June 2007	September 2007	March 2008	June 2008	October 2009
<b>Controlled foreign corporations [2]:</b>					
2006	June 2007	September 2007	March 2008	June 2008	October 2009
<b>Tax-exempt organizations [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	August 2009
2007	November 2008	April 2009	October 2009	December 2009	August 2010
<b>Private foundations [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	August 2009
2007	November 2008	April 2009	October 2009	December 2009	August 2010
<b>Tax-exempt organization unrelated business income [3]:</b>					
2006	November 2007	April 2008	October 2008	December 2008	October 2009
2007	November 2008	April 2009	October 2009	December 2009	October 2010
<b>Estate tax returns:</b>					
2008	[4]	[4]	[4]	December 2008	October 2009
2009	[4]	[4]	[4]	December 2009	October 2010
<b>Split-interest trusts:</b>					
2008	[5]	[5]	[5]	December 2008	October 2009
2009	[5]	[5]	[5]	December 2009	October 2010
<b>Gift tax returns:</b>					
2008	[4]	[4]	[4]	December 2008	October 2009
2009	[4]	[4]	[4]	December 2009	October 2010
<b>Nonresident alien estate tax returns:</b>					
2007	[4]	[4]	[4]	December 2008	June 2009
2009	[4]	[4]	[4]	December 2009	June 2010
<b>Fiduciary extracts:</b>					
2008	[5]	[5]	[5]	December 2008	October 2009
2009	[5]	[5]	[5]	December 2009	October 2010
<b>Tax-exempt bonds:</b>					
2007	[6]	[6]	[6]	December 2008	May 2009
2008	[6]	[6]	[6]	December 2009	May 2010

[1] Corporation statistics for 2005 represent accounting periods ended July 2005 through June 2006. Study Year 2006 is similarly defined.

[2] Data for 2005 represent accounting periods ending July 2005 through June 2006. Data for Study Year 2006 are similarly defined.

[3] Data for 2006 represent tax years ending between December 2006 and November 2007. Study Year 2007 is similarly defined.

[4] Estate and gift tax data are processed on a filing-year, rather than on a year-of-death or gift-year (tax-year) basis. At a later stage (not shown here), filing years are combined by year of death or gift year, respectively.

[5] Split-interest trust and fiduciary income tax statistics are processed on a filing-year rather than a tax-year basis.

[6] Tax-exempt private activity governmental bond statistics are collected annually based on issue year. Arbitrage rebate and penalty studies are conducted biennially, for tax years ending in odd numbers.

# SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: [sis@irs.gov](mailto:sis@irs.gov)**

Projects*	Primary Analysts	Frequency and Program Content
<b>Americans Living Abroad:</b> 2006 Program	Scott Hollenbeck Maureen Keenan Kahr	This periodic study is conducted every 5 years. It covers foreign income, foreign taxes paid, and foreign tax credit shown on individual income tax returns. Data are classified by size of adjusted gross income and country.
<b>Controlled Foreign Corporations:</b> 2006 Program	Jason Wenrich	This semiannual study provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry group and country.
<b>Controlled Foreign Partnerships:</b> 2008 Program	Bill States	This study provides data on activities of foreign partnerships that are controlled by U.S. corporations or partnerships. Frequency of this study has not been determined.
<b>Corporation Foreign Tax Credit:</b> 2006 Program 2007 Program	Scott Luttrell Lissa Costa	This annual study provides data on foreign income, taxes paid, and foreign tax credit reported on corporation foreign income tax returns. Data are classified by industry group and country.
<b>Corporation Income Tax Returns:</b> 2007 Program 2008 Program	Bill Rush Heather Parisi Bill Rush	Basic data are produced annually and cover complete income statement, balance sheet, tax, tax credits, and details from supporting schedules. Data are classified chiefly by industry group or asset size.
<b>Entity Classification Election:</b>	John Comisky	This annual study provides data from all Entity Classification Elections, including the type of election and whether the entity is foreign or domestic.
<b>Estate Tax:</b> 2004-2006 Program 2007-2009 Program	Brian Raub Joseph Newcomb	This annual study provides information on a gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of decedents. Basic estate tax return data by year in which returns are filed are produced each year. Also included are data on nonresident aliens who had more than \$60,000 of assets in the United States. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 2004 with returns filed in 2004-2006. The most recent data available are for returns filed in 2007.
<b>Excise Taxes:</b>	Ruth Schwartz	Basic data are collected and processed by three Department of the Treasury agencies: the Internal Revenue Service, the Alcohol and Tobacco Tax and Trade Bureau (formerly the Bureau of Alcohol, Tobacco, Firearms, and Explosives), and the Customs Service. Data by type of tax are shown by fiscal year for 1998-2005 and quarterly for more recent years.

## SOI Projects and Contacts

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Projects*	Primary Analysts	Frequency and Program Content
<b>Farm Sole Proprietorships:</b> 2007 Program 2008 Program 2009 Program	Kevin Pierce Mary Jezek	This study provides farm income and expenses classified by industry and gross farm income reported by individuals on Schedule F, <i>Profit or Loss from Farming</i> .
<b>Foreign-Controlled Domestic Corporations:</b> 2006 Program	James Hobbs	This annual study covers domestic corporations with 50-percent-or-more stock ownership by a single foreign "person." It covers balance sheet, income statement, and tax-related data, which are classified by industry group, country, and size and age of the corporations. Data are compared to those for other domestic corporations.
<b>Foreign Recipients of U.S. Income:</b> 2006 Program	Scott Luttrell	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
<b>Foreign Trusts:</b> 2006 Program	Dan Holik	This periodic study, conducted every 4 years, provides data on foreign trusts that have U.S. "persons" as grantors, transferors, or beneficiaries. Data include country where the trust was created, value of transfer to the trust, and year the trust was created. The most recent study is for Tax Year 2002.
<b>Gift Tax:</b> 2007 Program 2008 Program 2009 Program	Darien Jacobson Melissa Belvedere	This annual study provides data for type and amount of gift, information on donee, and tax computation items. Information about the donor and gift splitting is also available. Most recent data are for Filing Year 2007.
<b>Individual Income Tax Return Public-Use File:</b>	Mike Weber	Microdata on CD-ROMs are produced annually and contain detailed information obtained from the individual income tax return statistics program, with identifiable taxpayer information omitted to make the file available for public dissemination on a reimbursable basis.
<b>Individual Income Tax Returns:</b> 2007 Program 2008 Program 2009 Program	Maureen Keenan Kahr Scott Hollenbeck	Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules. Data are classified by size of adjusted gross income, marital status, or type of tax computation.
<b>Individual Income Tax Returns Special Tabulations:</b>	Mike Parisi	Special tabulations of selected individual income, deduction, and tax data are produced on a reimbursable basis.
<b>Interest-Charge Domestic International Sales Corporations (IC-DISCs):</b> 2006 Program 2008 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporations, or DISCs, as of 1985. Balance sheet, income statement, and export-related data are tabulated every 4 years. The most recent study is for Tax Year 2004.

## SOI Projects and Contacts

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Projects*	Primary Analysts	Frequency and Program Content
<b>International Boycott Reports:</b> 2006 Program 2007 Program	Lissa Costa	This study provides data on business operations of U.S. "persons" in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.
<b>Migration Flow and County Income Data:</b>	Emily Gross Kevin Pierce	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 2006-2007.
<b>Noncash Charitable Contributions:</b>	Janette Wilson	This study of individual income tax returns provides detailed asset donations, descriptions of the donees, donor cost, fair market value, and deduction claimed on Form 8283, <i>Noncash Charitable Contributions</i> .
<b>Occupation Studies:</b>	Terry Nuriddin	This periodic study classifies individual income tax returns by occupation and contains a dictionary of occupational titles that can be used to enhance the economic data of other individual income tax return studies.
<b>Partnership Returns of Income:</b>	Tim Wheeler Nina Shumofsky	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
<b>Partnership Withholding Study:</b> 2006 Program	Scott Luttrell	This annual study provides data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.
<b>Personal Wealth Study:</b> 2004 Program 2007 Program	Brian Raub Joseph Newcomb	This periodic study provides estimates of personal wealth of top wealth holders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate databases. The most recent data, for 2004, are based on returns filed from 2004 to 2006.
<b>S Corporations:</b> 2007 Program 2008 Program	Eurry Kim	Annual study data are collected for the income statement and balance sheet, and from supporting schedules. Data are classified by industry group or asset size.
<b>Sales of Capital Assets:</b>	Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.
<b>Sole Proprietorships:</b> 2007 Program 2008 Program 2009 Program	Jeff Curry	Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C, <i>Profit or Loss From Business</i> , for nonfarm proprietors, classified by industry group.

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: [sis@irs.gov](mailto:sis@irs.gov)**

Projects*	Primary Analysts	Frequency and Program Content
<b>Split-Interest Trust Information:</b> 2007 Program 2008 Program 2009 Program	Lisa Schreiber	This annual study provides information on charitable remainder trusts, charitable lead trusts, and pooled income funds. Data include balance sheet, income, deductions, and detail from accumulation and distribution schedules. The most recent data are for Filing Year 2007.
<b>Tax-Exempt Bond Issues:</b> 2006 Program 2007 Program 2008 Program	Emily Shammass	This annual study provides information on private activity and Governmental bond issues by type of property financed, size of face amount, and State. The most recent data are for Tax Year 2007 public purpose bonds and private activity bonds.
<b>Tax-Exempt Organizations (Except Private Foundations):</b> 2005 Program 2006 Program 2007 Program	Paul Arnsberger	This annual study provides balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. The most recent data are for Tax Year 2006 returns filed in Calendar Years 2007-2008.
<b>Tax-Exempt Organizations, (Private Foundations):</b> 2005 Program 2006 Program 2007 Program	Cynthia Belmonte	This annual study provides balance sheet and income statement data for domestic private foundations and charitable trusts filing a Form 990-PF. The most recent data are for Tax Year 2006 returns filed in Calendar Years 2007-2008.
<b>Tax-Exempt Organizations, Unrelated Business Income:</b> 2005 Program 2006 Program 2007 Program	Melissa Ludlum Jael Jackson	This annual study provides tabulations of unrelated business income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The most recent data are for Tax Year 2005 returns filed in Calendar Years 2006-2007.
<b>Transactions of Foreign-Controlled Corporations:</b>	Mark Lowe	This biennial study provides data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry group.
<b>ZIP Code Area Data:</b>	Mary Jezek	Statistics on CD-ROM show number of individual income tax returns, exemptions, and several income items by State and 5-digit ZIP Code. Data are available for 2002 and 2004-2006 on a reimbursable basis. Data for Tax Years 1998 and 2001 are also available, free of charge, on the IRS Web site: <a href="http://www.irs.gov/taxstats/article/0,,id=96947,00.html">http://www.irs.gov/taxstats/article/0,,id=96947,00.html</a> .

\* Many of the data release dates are published in each issue of the *SOI Bulletin* (see "Public Release of SOI Information"). For more information about data availability for a particular project, call or fax the numbers shown at the top of the page.

# SOI Products and Services

**S**tatistics of Income (SOI) data are available in electronic formats and in print. For further information on any of the following products and services, or for answers to questions on the availability of SOI data, other statistical services, or release dates for data, contact SOI's **Statistical Information Services (SIS)**:

**Statistical Information Services** (sis@irs.gov)  
Statistics of Income Division  
Internal Revenue Service  
P.O. Box 2608 • Washington, DC 20013-2608  
(202) 874-0410 • **Fax:** (202) 874-0964

As its name implies, SIS is best able to answer questions about data. It does not supply tax forms or information about the status of an individual's tax refund or audit examination. Media requests should be directed to the IRS Media Relations Branch, Communications Division, on (202) 622-4000.

## Free Products on the Internet

SOI's Internet site offers a combination of files presenting SOI tables, articles about SOI data, and information about SOI products and services, as well as non-SOI products, including Compliance Research projections and nonprofit Master File microdata records. At present, more than 9,300 files reside there.

**Web site:** [www.irs.gov/taxstats](http://www.irs.gov/taxstats)

There is also a direct link to our Web site from FedStats, the gateway to official statistics from the Federal Government: [www.fedstats.gov](http://www.fedstats.gov).

### Tax Stats

On the Tax Stats Home Page, you will find the following list of topics that will lead to a wide range of tables, articles, and data that describe and measure elements of the U.S. tax system. There is also a link to check out What's New.

### Business Tax Statistics

Corporations • International • Partnerships  
Nonfarm Sole Proprietorships  
S Corporations • All Topics

### Charitable and Exempt Organization Statistics

Charities • Exempt Organization Master File  
Private Foundations • Trusts  
Tax-Exempt Bonds • All Topics

### Individual Tax Statistics

Estate and Gift Tax • Individual Income  
Tax • International Personal  
Wealth • All Topics

### Products, Publications, and Papers

SOI Bulletins • IRS Data Books  
Conference Papers • SOI Paper Series  
All Topics

### IRS Operations, Budget, and Compliance

Issuing Refunds • Collecting Revenue  
Enforcing Laws • Assisting Taxpayers  
Historical Data Tables • All Topics

### Statistics by Form

706 • 709 • 990 • 990-PF • 990-T  
1040 • 1041 • 1065 • 1118 • 1120  
5471 • 5472 • 8038 • All Forms

### Statistics of Income (SOI)

About SOI • Careers With SOI  
Dissemination Policy  
SOI Services • SOI Studies  
All Topics

### Additional Information

Tax Statistics at a Glance  
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Questions On Tax Statistics?

## Products for Sale From SOI

Many of SOI's data files are available for sale on CD-ROM or via e-mail through Statistical Information Services. **Prepayment is required for orders of \$100 or more**, with checks made payable to the **IRS Accounting Section**. Credit and debit card payments are also accepted. Contact SIS for information on specific products, prices, sources, media, and ordering instructions.

The following files are currently available on a reimbursable basis and include data from returns for corporations, individuals, exempt organizations, and private foundations and charitable trusts. Most of these files are tabulations of aggregated data, but some are files of microdata records.



## SOI Products and Services

### Corporation Income Tax Returns

#### Corporation Source Book

CD-ROMs containing data from the *Corporation Source Book* are available for Tax Years 1996-2003 at a cost of \$250 per year. Data from the 2004 through 2006 *Corporation Source Books* are available at no charge from the Tax Stats Web site. Data tables from the 2000 through 2006 *Source Books* are also available at no charge from the Tax Stats Web site at: [www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html](http://www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html).

### Individual Income Tax Returns

#### Individual Public-Use Microdata Files

These files include individual income tax returns for Tax Years 1960, 1962, 1964, and 1966-2005. All of the files have been edited to protect the confidentiality of individual taxpayers. Public-use files of individual income tax returns for 1960, 1962, 1964, and 1966-1991 are available for sale by writing to the Center for Electronic Records at the National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001, or by calling toll-free (866) 272-6272. Files for 1992 through 2005 are available on CD-ROM from the SOI Division. Price for the SOI microdata files is \$4,000 per year.

#### County-to-County Migration Data

One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by county for the entire United States, including inflows and outflows. The data include the number of returns (which approximates the number of households); the number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1984-2007. Price is \$200 per year for the entire United States or \$10 per State per year. All years for the entire United States are also available for \$500.

#### State-to-State Migration Data

One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by State for the entire United States, including inflows and outflows. The data include the number of returns (which approximates the number of households); the number of personal exemptions (which approximates the population); and total "adjusted gross

income." Available for Filing Years 1989-2007. Price is \$50 per year for the entire United States or \$10 per State per year.

#### County Income Data

One table, based on the population of returns from the IRS Individual Master File system. This table presents data for adjusted gross income (total and for selected sources), number of returns (which approximates the number of households), and number of personal exemptions (which approximates the population). The data are presented by county (including State totals) and are available for Tax Years 1989-2006 for the entire United States. Price is \$50 per year for the entire United States or \$10 per State per year.

#### ZIP Code Area Data

Statistics are available for Tax Years 2002 and 2004-2006 on CD-ROM showing the number of individual income tax returns; the total number of exemptions and number of dependent exemptions (which approximates population); adjusted gross income; salaries and wages; taxable interest; total tax; contributions; number of returns with Schedules C and F; and number of returns with Schedule A, by State and 5-digit ZIP Code. In addition to these items, data for Tax Year 2004-2006 also show the amount of taxable dividends; net capital gain/loss; IRA payment adjustment; self-employed pension adjustment; taxes paid deduction; alternative minimum tax; income tax before credits; earned income credit; and number of returns prepared by paid preparers. Price is \$500 for the entire United States; \$25 for a single State. Data for Tax Years 1998 and 2001 are available free on SOI's Internet site. Go to [www.irs.gov](http://www.irs.gov), select the **Tax Stats** option; Individual Tax Statistics; Individual Income Tax; Zip Code Data (SOI) under Data by Geographic Areas.

### Tax-Exempt Organizations

#### Compendium of Studies of Tax-Exempt Organizations, 1989-1998

This is a compilation of articles on SOI studies of charitable and other nonprofit organizations described in Internal Revenue Code sections 501(c)(3)-(c)(9), private foundations, charitable remainder trusts, and nonprofit organizations' unrelated business income. All of these articles were published previously in various issues of the *Statistics of Income Bulletin*. In addition, the *Compendium* includes papers on statistical sampling of tax-exempt organization returns, and other topics relating to tax-ex-

empt organizations and philanthropy that were authored by IRS staff and others who use SOI study data for research. Available at no charge on CD-ROM.

### Microdata Records for Tax Year 2006

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. The samples include 16,736 Internal Revenue Code section 501(c)(3) organizations and 7,180 section 501(c)(4)-(9) organizations. All returns for organizations with assets of \$50,000,000 or more are included in the sample. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html), or may be purchased on CD-ROM for \$20.

### Microdata Records for Tax Years 1992-2005

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html), or may be purchased on CD-ROM for \$20.

## Private Foundations (and Charitable Trusts)

### Microdata Records for Tax Year 2006

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes 12,523 returns. (All returns filed by foundations with assets of \$10 million or more, as well as the population of returns filed by nonexempt charitable trusts, are included in the sample.) Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html), or may be purchased for \$20.

### Microdata Records for Tax Years 1992-2005

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. Mi-

crodata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html), or may be purchased for \$20.

## Publications

### Statistics of Income—2006, Corporation Source Book

*Publication 1053, Price: \$175,  
plus \$10 for shipping and handling*

This document presents detailed income statement, balance sheet, tax, and selected items, by sector, major and minor industrial groups, and size of total assets for all returns and separately for returns with net income. Separate statistics on S corporations are included by sector. Industry detail is based on the North American Industry Classification System (NAICS). The report, which underlies the *Statistics of Income—Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. *Corporation Source Book* industry pages and notes for 1963 through the present are available at a cost of \$30, plus \$1 per page copying charge (free for orders under 5 pages). The complete, printed version of the *Source Book* for selected prior years, 1984-2006, is also for sale at \$175 per year, plus \$10 for shipping and handling.

### Compendium of Federal Estate Tax and Personal Wealth Studies

*Publication 1773, Price: \$26,  
plus \$10 for shipping and handling*

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composition of their estates. It contains a methodological discussion of the strategy used in weighting sample data for the estate studies and presents statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years 1962-1989, and a discussion of the relationship among realized income, wealth, and well-being.

## SOI Products and Services

### Products for Sale From GPO

Recent SOI publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, **by calling (202) 512-1800, or faxing (202) 512-2250**. Credit cards are accepted. Publications may also be obtained by using the order form at the end of this *Bulletin* or writing to:

#### Superintendent of Documents

P.O. Box 371954  
Pittsburgh, PA 15250-7954

\* If you determine from the Government Printing Office that any of the following items is out of print, call **Statistical Information Services on (202) 874-0410** for assistance.

#### Statistics of Income—2006, Corporation Income Tax Returns

*Publication 16, Stock No. 048-004-02515-9*  
*Single copy price: \$44 International: \$61.60*

This report presents comprehensive data on corporation income tax returns with accounting periods that ended July 2006 through June 2007. Data are classified by industry, size of total assets, and size of business receipts

In addition, the 2006 report is available on SOI's Tax Stats Web site.

#### IRS Data Book, 2008

*Annually, Publication 55B, Stock No. 048-004-02501-9*  
*Price: \$13.50 International: \$18.90*

This volume pertains to Fiscal Year (FY) 2008—October 1, 2007, through September 30, 2008. The report provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities. The FY 2009 issue of the Data Book will be available in late March 2010.

#### Statistics of Income Bulletin

*Quarterly, Publication 1136, Stock No. 748-005-00099-4*  
*Subscription price: \$67 International: \$93.80*  
*Single copy price: \$44 International: \$61.60*

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and partnerships, as well as periodic or special studies of particular interest to tax analysts, administrators, and economists. Historical tables, published in the spring issue, include data from SOI, as well as tax collections and refunds by type of tax.